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FINAL REPORT
ASSESSMENT OF
THE CONSORTIUM FOR LEGISLATIVE DEVELOPMENT
REGIONAL LEGISLATIVE DEVELOPMENT PROJECT
(598-0770)

Submitted to:

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EXECUTIVE SUMMARY

FINAL REPORT ON THE CONSORTIUM FOR LEGISLATIVE DEVELOPMENT REGIONAL LEGISLATIVE DEVELOPMENT PROJECT (598—0770)

Analysis Of The Administrative, Program And Financial Management Of The Consortium For Legislative Development

I. Introduction

A. Background and Scope of Work

The Consortium for Legislative Development (CLD) is implementing a three-year, \$7.25 million Regional Legislative Development project for Latin America and the Caribbean. The goal of the project is to actively support the institutional strengthening of legislatures in Latin America and the Caribbean. The members of the Consortium, The Center for Democracy, (CFD) Washington, D.C., Florida International University (FIU), Miami, Florida and the University at Albany, State University of New York (SUNY/A) Albany, New York, bring to the project both experience and expertise in legislative development.

In July of 1992, Management Systems International, (MSI) a Washington, D.C. based consulting firm was asked to conduct an assessment of the management structure and procedures of the CLD and its A.I.D.-funded Regional Legislative Development Project (598—0770). The assessment was to include advice to A.I.D. and the CLD on possible modifications that could improve project management and provide advisory services to the CLD to facilitate their implementation. The assessment was to be limited to the CLD's administrative, financial and program management and specifically was not to include an analysis/review of the technical performance of the CLD in carrying out program activities.

Two of MSI's senior consultants were charged with the responsibility for carrying out this assessment, Dr. Gloria Fauth, an organizational development consultant and Mr. Jack Corbett, a financial management consultant. This report presents the findings of the consultants' interviews, examination of project documents, their conclusions based on the data analysis and recommendations for future actions.

B. Activities

After meeting with Sharon Isralow, the A.I.D./W Program Manager for the project, to discuss in detail the scope of work the consultants met to plan their approach to the task. They requested and received from Ms. Isralow copies of the project paper, project progress reports, budgets, and the original proposal which would enable them to acquire an understanding of the project's history and operation to date. A questionnaire for the interviews with the principals was developed and subsequently used to interview all Consortium members. Others interviewed included Mr. Carl Cira, A.I.D. Coordinator of Regional Programs for Democratic Initiatives, (RODI) Santiago, Chile who is closely involved with the Centro de Estudios y Asistencia Legislativa (CEAL) project. Mr. Corbett also met with Ms. Graziella Jacobs of Raffa and Associates, financial advisors to the Consortium.

Dr. Fauth and Mr. Corbett met in late August to discuss the results of the interviews, analyze the data and plan the final report.

C. Organization of Report

This report consists of six sections.

- Section I: Introduction
- Section II: Summary of Interview Data
- Section III: Administrative and Program Management
- Section IV: Financial Management
- Section V: Recommendations
- Section VI: CEAL and the CLD

II. Summary of Interview Data

This section of the report contains a summary of the data obtained in the interviews with Consortium members. These interviews proved to be useful in analyzing the way in which the Consortium functions administratively and programmatically, what has gone well and what needs to be improved, how finances have been managed and in identifying the differences in the perceptions of their work together of each of the Consortium members.

III. Administrative and Program Management

A. Overview of Consortium History

Prior to a discussion of how the CLD has handled its administrative management it is important to review the conditions which led to the establishment of the consortium.

When a consortium is formed as an organizational entity it is usually done to provide the means by which two or more institutions can pool their highly differentiated resources, in order to bring about the synergy that this combined expertise will bring to the accomplishment of the consortium's goals. Central to the success of any consortia is careful initial selection of member organizations in terms of identifying the skills, resources and abilities they bring to the accomplishment of the project's specific goals and objectives. In the initial planning of consortium operations there is careful attention given to the ways in which tasks will be completed, careful analysis of roles and relationships between the member organizations, and detailed work plans for task accomplishment. A new organizational entity is created, usually perceived as a temporary system, with a collaborative approach to task accomplishment, a strong central executive function and detailed financial planning and management. Historically, consortia have been used in international development, largely in the private sector, to allow more developed nations to provide the financial backing, technology and training that developing countries lack and to combine this with the developing country's own natural resources and labor in the completion of a specific task. Universities have used the consortium model for similar reasons — to broaden the base of resources they have available to accomplish a project.

The Consortium for Legislative Development, as nearly as can be traced in retrospect, appears to have had a less definitive start. Formed, at least partially, as a solution to resolve an internal A.I.D. dilemma, the concept of a consortium was, in the original proposal, based on the known expertise of three organizations, the Center for Democracy, the State University of New York at Albany and its Center for Legislative Development and Florida International University's Latin

American and Caribbean Center. In the original proposal there was some degree of differentiation among the proposed members of the CLD. The CFD would bring its known ability to operate successfully at high levels of international government as well as its experience with emerging democracies, SUNY/A would bring its expertise in institution building and extensive work with emerging democracies and their legislative development, and FIU would contribute professionals who would be able to provide a wide variety of technical support services. All three institutions had experience in Latin America and the Caribbean. Conceptually, this mix provided a sound base for a consortium. However, before the CLD even began operating, but after the grant had been awarded, a major shift was made in personnel. FIU changed the academic unit which would be participating in the consortium and included personnel from a different academic unit, the School of Public Affairs. The staff from FIU who were added to the consortium were well qualified for the work to be done but not as clearly differentiated in terms of the skills, abilities and resources they brought as the originally proposed group. Thus, the complementarity of the consortium participants was altered. This situation created a substantial degree of overlap in the abilities and resources of the CLD.

There was some initial confusion about how and why the Consortium would be constituted and this contributed to its later problems. In spite of this confusion, the individual institutions who were participating in the Consortium were dedicated to the goals of the Consortium and heavily invested in successfully accomplishing their work.

B. Analysis of the Administrative/Program Management of the CLD

Since the CLD started its life as a new organization it will be useful to analyze its development and functioning in relation to a model of group development in work settings. All groups are unique, dynamic, complex, ever-changing living systems that are different than the sum of the individual members. At the same time all groups go through similar stages as they grow from a collection of individuals to a smoothly functioning effective team or organization. It has been thoroughly documented through countless research efforts during the past forty years that small groups, such as the CLD, go through a series of predictable developmental stages during their group history or life cycle.

One of the most recent and thorough efforts was completed by Lacoursiere.¹ He developed a five-stage model that synthesizes most of what is known about group development. Lacoursiere's five stages include: 1) Orientation, 2) Dissatisfaction, 3) Resolution, 4) Production and 5) Termination. The model helps to identify those behaviors which seem to be predominant in each stage of a group's life and assist in diagnosing the group's level of development, the issues it has and has not resolved, how these affect its current efforts and what developmental tasks remain.

Stage 1: Orientation

The orientation stage for the Consortium began when the initial participants met to discuss the proposal and negotiate the final conditions of the grant with A.I.D./W. This meant that the final group constituting the Consortium was not uniformly involved in defining the goals and objectives of their work. When all of the final participants met to work through their initial organizational tasks, two of the members, the CFD and SUNY/A had a shared understanding of the project's goals and activities from their previous preparatory work and the third member, the new participants from FIU, did not share the same understanding since they had not been involved in creating it.

The first meeting of the Consortium resulted in an agreement that the CFD would be the "lead institution" as regarded contact with A.I.D. This is reflected in both the CFD/A.I.D. agreement and the sub-agreements as well as in the allocation of funds. While the issue of each organizations specific programmatic responsibilities was discussed at this time, the sub-agreements, signed somewhat later, more specifically spelled out the scope of work for each of the three institutions. The overall guiding principle of this and other early sessions was that each institution would be an equal partner. A Consortium Committee was established, comprised of the Director of each institution (with the Program Managers participating in discussions) to make major program decisions. It was determined that quarterly meetings of the Consortium Committee would be held and would be the occasion for making major program decisions and that frequent communications among operating personnel would manage the operational details of their work.

Based on the fact that two of the participating organizations were universities it is not surprising that the CLD elected to have a relatively "flat" organizational structure. That this was a considered decision is evidenced by the selection of consensus as the decision making process for the Consortium. This decision is reflected in the sub-agreements signed by SUNY/A and FIU with the CFD. The decision to use consensus as the decision making mechanism was apparently based on several factors:

1. they believed that they all had a sense of the expertise and experience of the others and thus felt that a consensus would be within reach and
2. that this process would support their individual commitment to the Consortium and assist in building the trust necessary for collaboration, and
3. it was a decision making model with which they were familiar and comfortable.

Other factors, although less explicitly stated by respondents, influenced the decision to use the consensus process for decision making. Universities traditionally operate on an model of administrative management that, at least at the department level, highly values the concepts of collegiality and shared responsibility. However, even within this model differences in the way it is operationalized exist. This is particularly clear in the case of the CFD. SUNY/A and to some degree the CFD, saw the model as one in which experts bring their skills, knowledge and experience to the clients and that those skills, knowledge and experience would be differentiated and program components assigned to members of the Consortium based on their expertise. FIU, on the other hand saw the model as one wherein the clients would be best served by a more collective approach — one that insured that each client would have the opportunity to get as broad an exposure as possible to a variety of expertise and the differing perspectives of Consortium members.

During the orientation stage of the Consortium's life, when expectations were high, consensus was at least superficially reached on major areas and all were eager to get on with their work. Therefore, it was relatively easy, as in any new and evolving relationship, to bury their anxieties about what their roles and responsibilities were to be, what was specifically intended by equal participation, what the lines of authority were to be, who was responsible for what, and how conflict would be managed and to rely on collegial consensus to work out the details as they went along. An example of this dependence on the good will of others is demonstrated by the group's reluctance to pursue the issue of establishing policies in the early months of its life. They expected

some guidance from A.I.D./W in these formative days and expressed disappointment that their expectations for official early guidance were not met.

The effectiveness of managing the internal communication process in an organization with a co-equal structure is dependent on the clarity of tasks, individual roles and responsibilities, lines of authority and the level of trust. The lack of trust currently existing among Consortium members has impacted on their internal communications. Communications within the Consortium occur on a daily basis, either by telephone or in the form of written documents and on the occasion of their quarterly meetings or work in the field, on a face-to-face basis. Program Managers (including Ms. Williams) communicate with great frequency. The pattern of communications appears to most frequently involve two of the three Consortium members with the third not involved, notably in the last six months. While early in the life of the Consortium substantive efforts were made to involve all three members in the communication process, either during quarterly meetings, meetings on-site in the field or through conference calls, there appears to have been increasingly less effort at having all three principals simultaneously involved in discussions and an increase in the number of memos and letters. This alteration in communication pattern has led to considerable tension and distrust.

The Consortium has not developed a formal set of procedures for communicating with A.I.D./W or the field. The CFD has made revisions in the communication procedures and believes that the previous problems with late notification to LAC/DI and/or the Missions concerning scheduled program activities, country clearance requests, etc. have been resolved.

When the day-to-day operation of the GLD began to surface the philosophical differences in the meaning of equal participation (around operational issues such as, who should go where, how many should go, should everyone participate in all activities, how should the "buy-ins" and bilateral agreements be managed), the fact that there was no explicit resolution of these issues led to individual members competing for opportunities, suspecting one another's motives, and attempting to resolve the underlying philosophical differences through competition for participation.

As the project developed, the use of consensus became increasingly more difficult. This can be attributed to several factors.

1. As individual institutions struggled to find their niche in the Consortium they frequently went outside the Consortium to A.I.D. for support thereby subverting the consensus process.
2. It was difficult to get everyone together to reach consensus even by telephone and so the process broke down.
3. Individual members became less invested in the Consortium as an organizational entity and more invested in securing their organization's position within it.

In the beginning of the Consortium's work together the management style was highly participative. Each institution reported that they invested a great deal of time and energy in working through the original working agreements as equal partners. The implementation of these decisions fell largely to the Program Managers and other support staff in terms of the day-to-day actions which needed to be taken. The Consortium was able to successfully begin their work, although the conflict about who should do what and how many should go was resolved on a case-by-case

basis, often with A.I.D./W making definitive input — not by the Consortium reaching a consensual policy decision to which all offered their support.

There was, during this period, no budget by which to measure the expenditures of time, effort and money of the participants against the performance of tasks by the Consortium members. As a result, resolution of issues was not constrained by a budget. Each member had the freedom to solve its problems without worrying about overall project objectives and financial resources.

The lack of clarity about policies and procedures for “buy-ins” and bilateral agreements has further complicated the Consortium’s operation. While it is accurate that the Regional Agreement was aimed at creating “buy-ins,” what is unclear is the level to which the activities identified in the Regional Agreement (i.e., needs assessments, seminars etc.) can be attributed to prospective or existing “buy-ins.” The Consortium regards “buy-in” activity as seamless with the Regional Agreement. Thus, until there is a “buy-in” agreement, no charges or time can be attributed to the “buy-in.” Even after a “buy-in” agreement has been reached, there is an expectation on the part of the CLD and apparently their clients, that the Regional Agreement will support activities not covered by the “buy-in” but necessary to it, e.g., administrative support. It is unclear if the CLD believes that other expenditures related to “buy-ins” such as travel and personnel are to be covered by the Regional Agreement. Thus, the issues of how the Consortium was to manage both the developmental work for the “buy-ins” as well as the long-term support for the activities identified in these agreements has not been specified in the budget nor has the Consortium discussed this issue in relation to policy and procedures. This has the potential of creating serious financial dilemmas as well as future problems in implementing the “buy-in” agreements.

The responses to the interview questions make it clear that there is not a successful mechanism for resolving conflict within the Consortium — a mechanism that does not create winners and losers but serves to clarify roles and relationships so that everyone can maintain their investment in the Consortium. That this has been an organization marked by a high level of internal conflict is evident. The conflicts have been frequent, divisive and at many levels. While there is a clause in the sub-agreements that two of the three institutions can vote to resolve an issue around which consensus is not possible, provided that one of the two voting is the CFD, it was stated that this mechanism has never been formally used. While allocation of funds, particularly for travel, has often been the surface topic around which controversy occurred, the real source of the conflict has probably been deeper and based in the unresolved dilemmas regarding equal participation, roles and responsibilities, perceptions of one another’s area and level of expertise, competition for tasks and jockeying for position during operations in the field. Shortage of resources did not surface as a problem.

As the climate within the Consortium became increasingly contentious, the CFD began to exert a more directive leadership role and the other institutions, particularly FIU, felt shut out of the decision making process. As the CFD began to demonstrate this more directive leadership style, the fact that roles and responsibilities had not been adequately defined and that budgetary procedures had not been established that permitted the Consortium to track expenditures with program outputs became an issue.

The CFD had become gradually aware of the management problems as they surfaced several months ago and acted, more or less unilaterally, to correct them in line with their perception of being the “lead contractor” and pressure from A.I.D./W. This resulted in increased demands on

the other two members to supply information about their program efforts, their finances and their future plans in more detail, more quickly and in writing. It also resulted in the CFD using written communications to interact with the other Consortium members to a much greater extent than in the past. Consortium members were asked to clear, with the CFD, communications with the field and A.I.D./W before transmission (particularly with regard to "buy-ins") and to let the CFD manage communications with A.I.D./W. There was also a closer scrutiny of the allocation of funds and which expenditures were being charged to core funds. In other words, the CFD began to behave more like a central executive traditionally behaves and less as an "equal partner."

It is easy to see how this unannounced change in behavior caused suspicion and discontent with the other Consortium members. It is not so much an issue of the validity or the reasons for the new behavior, indeed, all would agree that some changes were needed, but more an issue of a sense of it being a violation of their agreement to function as equal partners.

It is not now possible to reconstruct with accuracy the early discussions of the CLD as regards the issue of collegiality and the administrative structure that evolved, but it is clear from later developments that there was not a thorough understanding of what each of the Project Directors meant by and what their expectations were regarding the concept of equal participation, nor were their differing opinions sufficiently explored to be resolved to everyone's satisfaction. There still exists among the members of the consortium considerable philosophical distance between these two concepts.

Thus, the group's development has become stuck in the dissatisfaction stage. While the impact on their work has apparently been minimal as their progress reports indicate that the work has proceeded pretty much as planned, morale dipped and aside from brief moments of elation over a well executed task, has remained low. The lack of clear lines of authority when working together in the field has led to some public disagreements between Consortium members. These have done little to enhance the client's view of the Consortium as an organizational entity.

Stage 2: Resolution

The movement of the Consortium into this stage has been uneven and only partially accomplished. There has been improved clarity about how the work will be done and by whom. This clarity has not been obtained without considerable cost. Some clarity about who does what has come from the clients themselves who have specifically requested that one institution or another be involved with them. This has led to some increased dissatisfaction on the part of those Consortium members who were not selected and satisfaction for those who were. Little progress has been made toward resolving the difference between their initial expectations and the realities in relation to the Consortium. What appears to have happened is that individuals became so frustrated with trying to work it out, all the while heavily invested in having their viewpoint become the accepted one, that other individuals backed off from the conflict and tried to get their viewpoint across in some other way or at a later time. Trust issues have continued to intensify.

It would be anticipated that at this stage the Consortium would have developed its own identity — that the group would be cohesive and trusting of one another and would operate harmoniously. This does not appear to be the case. What appears to have happened is that there is a continually shifting set of temporary alliances between two members of the Consortium usually in opposition to the third. SUNY/A and the CFD have in general, worked out their relationship in this project and form a cohesive sub-group most of the time. FIU and SUNY/A have formed temporary

alliances at times to confront the CFD, however, FIU is most often the outsider.

While Consortium members are aware of the contentious operational environment within the Consortium, they do not believe that it has impacted their work. Indeed, they believe that they have done a superior job of delivering their contractual responsibilities. They are also aware that some level of internal conflict is both inevitable and useful to the functioning of the Consortium. The issue in this regard is for the Consortium to develop a mechanism for managing conflict so that it does not unnecessarily delay the timely implementation of their work and interfere with the climate and functioning of the Consortium.

Stage 3: Production

This stage, when achieved, is much more in line with the vision of organizational structure that the Consortium set out to create. The Consortium has moved into this stage only in brief and temporary surges, usually associated with the successful implementation of a program activity. They have not been able to move more confidently and completely into this stage because of unfinished business from the earlier stages and their development and organizational effectiveness have been impacted.

Stage 4: Termination

While the CLD has not developmentally reached this stage, chronologically, it soon will. If they cannot successfully work through their remaining issues and progress through stages 3 and 4, they run the risk of ending this work with feelings of dissatisfaction and frustration.

C. Conclusions

1. The members of the CLD have not created a coherent organizational identity as a Consortium. Lack of trust, competitiveness and the absence of clear organization policies have contributed to this. Each individual institution appears to be more invested in its own interests than in those of the Consortium. As a group the Consortium has not succeeded in resolving the issues of Stage 3, Dissatisfaction, thus, the quality of their interpersonal relationships is not good in that positive feelings toward all members of the group are not present, and they have fallen into norms and remained stuck in processes that have not been productive to the growth of the organization.
2. Conceptually and practically, their vision of a "flat" organizational structure model (which, operationally, looks like Stage 4, Production) could work efficiently. It would demand that their differences in philosophical approach and definition of equal participation be resolved and appropriate policy decisions made. It would demand that the principals in the Consortium maintain a close, consultative relationship with simultaneous participation in the decision making process, whether face-to-face during quarterly meetings or by telephone conferences when needed. It would demand that the lines of authority and responsibility be agreed upon and abided by. It would demand that a mechanism for resolving conflict that is non-punitive be developed and used. It would demand a commitment to the CLD that puts the goals of the Consortium before individual institutions or at the very least does not promote the welfare and interests of the individuals or their respective institutions in ways that jeopardize the work of the Consortium.
3. The CLD must clarify some essential organizational issues regardless of what model they

decide to use. Clarity about lines of authority, roles and relationships, decision making, conflict management and communication procedures must be achieved.

4. The chaotic internal climate and developmental problems of the CLD do not appear to have interfered with the quality of program delivery. Their work has, in their estimation, been of high quality and delivered somewhat ahead of schedule, given the three year time frame of the project. There is anecdotal evidence, however, that their internal competitiveness has complicated and delayed the implementation of "buy-ins" and that the lack of clarity about who is in charge in the field and/or disagreements as to strategy which have not been resolved before a program component is implemented have created a negative image of the Consortium.
5. The CLD, at this point in its life cycle, can still complete both its contractual responsibilities and create a Consortium that is efficient and healthy. This will require a considerable amount of time and effort on the part of all three principals and a willingness to devote the necessary time, attention and good faith effort required to build/repair the Consortium. Their contractual responsibilities can probably be fulfilled without repairing the Consortium itself. The cost if this is done will be that the principals will leave the experience with negative feelings about one another and the project and about A.I.D./W. The future of similar efforts, involving any of the current participants would be in jeopardy, as would any future efforts on their part or A.I.D./W's to comprise another Consortium.

IV. Financial Management

A. Overview of Consortium Financial Management History

The Consortium for Legislative Development did not confront major financial management issues in its proposal to A.I.D., in its agreement with A.I.D. and in its members' relations to one another. A large sum of money was to be expended over a three-year period for a variety of project components by an organization without a strong central executive function yet the budgeting and monitoring procedures which might have substantially reduced operating problems were either never or only partially established.

Financial management, the need for which was recognized by A.I.D. and the CLD, was provided for in the Cooperative Agreement dated September 7, 1990 effective August 1, 1990. Two independent accounting firms were to be engaged to provide accounting and reporting services as well as compliance audits in accordance with A.I.D. program grant audit guidelines and Government Auditing Standards. The need for these services was somewhat out of the ordinary but they may have been reasonable given the fiscal management inexperience of the Consortium and the variations between the accounting systems of the Consortium members. The reporting called for was primarily to meet grant requirements rather than for management purposes. The financial administration described in the Consortium's proposal did not expand significantly on the services to be provided by the accounting firms.

The budget for the project was presented in considerable detail in the Consortium's proposal. It was broken down by functions (project components) as well as by categories such as salaries, airfare and travel, etc. It was not broken down by years showing when these expenditures might be expected to be made nor did it show what percentages of these expenses would be made by each Consortium member. These aspects were, however, not ignored in the proposal. For

example, the level of effort of each institution in each of the major project components (needs assessment, regional training etc.) was presented in graphic form. In addition, there was an illustrative program implementation plan presented for the first year (Exhibits I-IV). It might be noted as well, that the Consortium's Progress Reports regularly showed a bar graph chart of the progress achieved in outputs stipulated in the Life-of-Project outputs (Exhibit V). Finally, the estimated costs (budget) of the FIU and SUNY/A portions of the CLD project were contained in the agreements signed with the CFD (Exhibit VI). The costs were for a three-year period and were not related directly to the outputs called for in the agreements.

While A.I.D. looked to the CFD as the lead institution of the Consortium, the CFD planned, as previously described, to operate on a co-equal basis with its two partners, depending on quarterly meetings of the principals and daily contact between operating personnel to resolve problems. Since most of the budgeting was on a line item basis for the three-year period, there were, in fact, no financial constraints upon the members to relate their project outputs to financial forecasts on shorter time periods. In other words, distortions in the budget by overspending did not send up storm signals until late in the Consortium's life.

It can be seen that the need for financial management existed and was recognized by the Consortium in its proposal. The record will show, however, that the final steps were never taken to relate outputs under the project to the expenditure of time and money within clearly defined time periods. As a result, responsibility for performance could not be measured either by A.I.D. or the Consortium members. Only when A.I.D. noticed in May, 1992 the disparity in rates of expenditures against the three-year budget did the issue of financial management become acute.

B. Allocation of Funds

A definitive picture cannot now be drawn of the procedure followed for the initial allocation of the Consortium funds. The participants in the process (at least those interviewed) do not clearly recall what occurred but the general impression is that there was a more or less equal sharing after due allowance had been made for the administrative costs of the CFD, equipment costs and for the post-graduate tuition program of the SUNY. The result was \$800,000 for FIU, \$912,000 for SUNY/A and \$1,288,000 for the CFD. These first two figures were used in the sub-agreements and the figure for the CFD was derived.

Funds were drawn down at the following rate: \$773,000 for services performed through July 31, 1991 and \$1,227,000 in the second year ending July 31, 1992.

The sub-agreements signed by the CFD with SUNY/A and FIU assured the recipients that up to the specified amounts would be available to them in consideration of their satisfactory performance of the tasks outlined in the agreements. Under the circumstances, the recipients tended to regard these allocations as irrevocable as long as work called for by the Regional Agreement remained to be done.

What was not taken into account adequately by the Consortium members was the probability that a course of action established at the outset of a three-year project would not stand up in practice. The probability was that there would have to be continuous modifications in the original program due to changing conditions in the area, new demands not previously foreseen and varying experiences with the ability of the members to carry out their tasks.

While work plans for succeeding time periods were prepared, the changes were not costed and

the budget was not altered accordingly. The original budget based on the original allocation of funds among the Consortium partners remained the financial guide against which performance of the Consortium's tasks were measured.

C. Budget Process

Having made the allocation of the grant funds from the Regional Agreement, the overall budget became the sum total of the amounts allotted to each partner. The budgets devised from these allocations are presented as line item budgets in the sub-agreements between the CFD on the one hand and FIU and SUNY/A on the other. The CFD budget was in effect, the residual of these two budgets subtracted from the total budget of \$3 million contained in the Regional Agreement or \$1,288 million. Each Consortium member prepared a line item budget for its allocation and the sum of these budgets became the three-year line item budget for the Consortium.

The Regional Agreement budget was broken down into line item budgets for each of the three institutions presumably reflecting the Consortium managers' best guess at the proper distribution of funds and responsibilities. As far as can be ascertained no further arrangements were made for a review of these budgets in light of developments in the first two years of the agreement. Each institution seemed to feel it had the responsibility for management of its allotted funds and for delivery of its promised output. Yet it is clear from the first and second year financial results that there were very substantial miscalculations in the budget or the partners were marching to the beat of different drummers.

While the overall figures for salaries and travel expenses showed plausible results in terms of the budget — 28 per cent of salaries in the first year and 31 per cent through nine months of the second year, the corresponding figures for travel were 35 per cent and 32 per cent respectively — the disparity in performance between the CFD and its partners was striking.

There is evidence of miscalculation. The CFD provided a total three year budget of \$157,000 for salaries and but \$4,160 for fringe benefits — a mere 2.9 per cent of salaries. This was the smallest allotment for salaries and fringes of the three institutions yet actual expenditures by the CFD, for this account, were by far the highest of the three. This problem should have been picked up much sooner. A review of tasks should have been made. Was the CFD undertaking assignments which had not been budgeted? Were FIU and SUNY/A lagging in the delivery of their output? Financial evidence does not permit definitive answers to these questions. A thorough review of program activities would have to be undertaken to determine what caused the budget variations. The salary allowance for the CFD appears unreasonably low. Likewise, to allow only \$4,160 for fringe benefits — 2.9 per cent — is clearly an error in the budget. Does this mean that the allocations to FIU and SUNY/A were overly generous relative to their tasks? Possibly, although this cannot be proven by a review of the financial expenditures. To reach a supportable conclusion, it would be necessary to analyze in detail the costs associated with the tasks undertaken by the members of the Consortium (Exhibit VII).

But if the budget allocations were skewed from the start, they should have been revisited early on in the process. Line item financial reports concealed the disparity between the budgetary results of FIU and SUNY/A on the one hand and those of the CFD on the other. Thus, A.I.D. was not alerted in a timely way and the Consortium members did not take note of what was happening. Budgeting in this project demanded that expenditures of grant funds be related to accomplishment of specific tasks over defined time periods. The line item financial reporting was not related

to work plans nor to the carrying out of specific tasks. Thus, there was no effective way for the CLD program managers or A.I.D. to monitor the financial progress of the project. What transpired might be compared to setting the course of a ship undertaking a lengthy ocean voyage and failing to take periodic bearings and making appropriate course corrections throughout the voyage. The Consortium project is close to completion but it is not yet clear what has to be done and what resources must be expended to bring it to a successful conclusion. When the remaining tasks are identified and costed and placed into their proper time frames, it will be possible to devise a functional budget that will correspond to the work plan and to the final project progress reports.

D. Relationship of the Regional Programs to "Buy-ins"

Financially, it is difficult and, thus far, impossible, to define the financial impact of the "buy-in" programs upon the Regional Agreement operating results. Thus, it cannot be determined whether there have been significant charges made to the Regional Agreement that should have been attributed to the "buy-ins." Some, but not significant, travel charges have been incorrectly attributed to the Regional Agreement and according to program managers, such charges have now been correctly booked. There is, however, the preparatory work done with core funds to create the "buy-ins." Since there was no "buy-in" agreement when these expenditures were made there was no way they could be so charged. The CFD managers point out that administrative support continues to be provided to the "buy-ins" after their establishment. These expenses are not identified separately and they have not been budgeted but simply charged to the appropriate line item in the budget.

E. Financial Reports

While there have been some delays in financial reporting, these delays have not been serious. Had there been no delays, the problems raised in this report would still exist. The difficulty with financial reporting as now established in the Consortium is that it does not forecast the project's course with any precision nor track its results adequately. Thus, the program managers have not had and do not now have the information necessary to properly relate the project's output to the expenditure of funds. The chief financial officer of the CFD presently has good control of the accounting system and should be able to make necessary changes to improve budgeting and reporting. Raffa and Associates made a solid contribution to the establishment of the CFD's accounting system.

F. Conclusions

1. The allocation of core funds among the participants in the Consortium was probably faulty and the original allocations should have been reviewed at quarterly intervals. Any allocation over a three-year period should have been subject to periodic review and correction.
2. The use of line item budgeting made it difficult to relate expenditures to the project performance. The work plans and budgeting should have identified component tasks to be undertaken, should have costed these tasks and should have placed them in their proper time frames. In this way, the budget would have been a realistic guide against which expenditure and performance could be measured. Significant over- or under-spending in quarterly time frames would have called for explanation in the corresponding quarterly reports. The financial

reporting system used by the Consortium did not send out such signals. Line item reporting, in addition to not being related to project outputs, also tends to conceal results by lumping one member's over-budget spending to another's under-budget spending.

3. Quarterly progress reports on the project are notable for the absence of any financial reporting. Such reports should inform the reader that planned progress is being made and appropriate expenditures are occurring. Short falls in output or overruns in expenses should be highlighted with explanations as to why they occurred and how they will be corrected.
4. It is by no means certain at this point that the funds allocated to each member institution are commensurate with the activities to be carried out by that institution. One, in fact, would have to conclude that if remaining funds are appropriately allocated, it would be a coincidence of monumental size. Therefore, a review of allocations among member institutions is required.
5. Budgeted travel costs (airfare, per diem and ground transportation) represent 24 per cent of total project costs excluding equipment purchase. Actual travel costs will probably remain within budget over the three-year period of the agreement. On this basis, it cannot be concluded that unnecessary travel is taking place. However, there is anecdotal evidence that larger delegations than necessary have been sent to meetings, conferences and seminars and that some such gatherings were for such brief periods that delegate attendance was of limited value.

V. Recommendations

A. Administrative and Program Management

1. At this point in the contract with the CLD, little appears to be gained by dissolving the organization or eliminating one or more members. However, it is important for A.I.D./W to offer to provide the support the CLD needs to get its house in order. If the Consortium members are sufficiently interested in and committed to resolving their internal issues (an assumption that would need to be tested), the Project Directors and the Program Managers, including the CFD's Chief Operating Officer, should arrange to hold a session managed by a professional facilitator of sufficient length (minimum time of two days), to resolve the issues noted in this report. While the session would focus on making necessary changes in the organizational structure, it would also need to be understood as a time when the air is cleared and trust re-established among participants requiring the willingness to be open and direct with one another. The organizational outcomes of such a session would be clarity about the concept of equal participation, roles and responsibilities, lines of authority, conflict management, tasks remaining, communications procedures and reporting schedules. At the end of the session, the resulting agreements should be documented and submitted to A.I.D./W for comment and approval.
2. Should the Consortium members be unwilling to engage in such a retreat,

A.I.D./W should request them to put in writing their procedures for managing conflict successfully, communication protocols for internal and external communications, policy statements concerning roles, responsibilities and lines of authority. The submission should indicate that all members can live with these arrangements for the duration of the contract period.

3. A.I.D./W must not become overly involved in the day-to-day skirmishes of the Consortium. Calls to A.I.D./W in regard to Consortium affairs should come from the CFD only. The responsibility for seeing to it that this occurs is on both parties.

B. Financial Management

1. The Consortium should provide A.I.D. with a functional budget (outlining and costing project component activities) broken down into quarters for the remaining time of the Regional Agreement. The quarterly narrative reports called for by the agreement should relate activities to performance under these budgets. If a line item budget is desired to provide continuity with the past reports or university reporting requirements, then this can also be provided.
2. Approval of seminars and conferences involving the movement and lodging of substantial numbers of participants should be given only after A.I.D./W is satisfied with the relevance and value of such meetings to project objectives as well as with the composition of the participants.
3. The basis of the review of allocations among member institutions should be on meeting the remaining priority requirements of the agreement. In some cases, there will not be a demand for some of the anticipated outputs; in other cases the relative importance may have increased or diminished. At the same time, some new and previously unforeseen activities may be worth supporting if that can be done within budgetary limits. The Consortium should prepare a closing budget, resolving all conflicts among themselves without recourse to A.I.D. Options to the budget presented should be encouraged allowing A.I.D. to choose among alternatives.
4. The budgeting process for "buy-ins" should be clarified and the issues of what costs are to be charged to what budget made clear.
5. The CFD, as the lead institution, should at a minimum, if it is not possible to come to agreement and heal the Consortium, strengthen its control over its member institutions to the extent of insuring that expenses undertaken by them are within agreed budgetary and program limits. It will be important to limit contact between A.I.D./W and the university members on budgetary items so as to avoid compounding the inevitable conflicts among the Consortium institutions.

VI. The Consortium for Legislative Development and CEAL

A.I.D. currently funds another grant located at SUNY with a similar focus to the CLD's. This grant, administered by the Research Foundation of SUNY, an organization created by the University as an administrative unit to manage grant and research funds, is implementing a project in Chile

which has helped the Catholic University of Valparaiso to establish and develop its Centro de Estudios y Asistencia Legislativa (CEAL). The purpose of CEAL is to provide services to the Chilean legislature in research and policy analysis.

The situation surrounding the CLD and CEAL is a complicated one, involving not only a major organizational struggle between SUNY/A and SUNY/Central but a complex network of interpersonal relationships, the resulting innuendoes, and competition.

Mr. Cira left little doubt as to his position on CEAL and the CLD. He views the CEAL project as a sub-regional one that could easily become overextended should it be pressured to change to a more regional focus. He does not wish to see CEAL folded into the CLD.

A substantial amount of time during our interview with Dr. Baaklini and Dr. Dawson at SUNY/A was devoted to this topic. To say that there is a confrontation going on between SUNY/A and SUNY/Central is to understate the situation. Dr. Baaklini is currently engaged in a struggle to get CEAL moved from the Research Foundation to his Center for Legislative Development at SUNY/A. In his view, it should never have resided with SUNY/Central. Dr. Baaklini has been working for over a year to get this matter resolved within the University. There are evidently political struggles between SUNY/Central and the campus (where the Center for Legislative Development is housed) and intense competition for resources.

Given the present situation it is clear that any efforts at coordination between the Research Foundation and SUNY/A as regards these two grants is highly unlikely. The degree to which SUNY/Central is able to draw on the resources of the Center for Legislative Development to work on the CEAL grant is also at the present time negligible and vice versa. What technical advice and assistance CEAL has received has come from the Congressional Research Service through SUNY/Central. Mr. Cira indicated that they had had little trouble getting appropriate technical support from Suny/Central, even though he sees their support as limited since there are few or no Spanish speakers available.

Clearly the two grants do serve similar purposes although on different scales. It is likely that they could be of assistance to one another in Latin America and from A.I.D.'s perspective it would be more efficient and less expensive if the grant's were able to collaborate more effectively. At the present A.I.D. is paying separate overhead on each grant to SUNY, and combining them would not only decrease A.I.D.'s costs but increase the impact of both efforts.

However, until the intra-university struggle is resolved it appears that there is little that A.I.D. can do. It would be potentially destructive for A.I.D. to intervene in Dr. Baaklini's struggle with the University to regain control of the CEAL project save for supporting him personally. Should he succeed in getting the project back into the Center, then the Consortium would have more resources at its disposal and be able to expand its work. It is also true that Mr. Cira is not supportive of the project being folded into the Consortium, which he sees as an ineffective organization, while personally holding Dr. Baaklini in high regard. The Catholic University in Chile appears to have maintained its contact with and respect for Dr. Baaklini. If Dr. Baaklini is not successful in regaining control of CEAL, then A.I.D. will be faced with a new dilemma.

I. Introduction

A. Background and Scope of Work

The Consortium for Legislative Development (CLD) is implementing a three-year, \$7.25 million Regional Legislative Development project for Latin America and the Caribbean. The goal of the project is to actively support the institutional strengthening of legislatures in Latin America and the Caribbean. The members of the Consortium, The Center for Democracy, (CFD) Washington, D.C., Florida International University (FIU), Miami, Florida and the University at Albany, State University of New York (SUNY/A) Albany, New York, bring to the project both experience and expertise in legislative development.

In July of 1992, Management Systems International, (MSI) a Washington, D.C. based consulting firm was asked to conduct an assessment of the management structure and procedures of the CLD and its A.I.D.-funded Regional Legislative Development Project (598—0770). The assessment was to include advice to A.I.D. and the CLD on possible modifications that could improve project management and provide advisory services to the CLD to facilitate their implementation. The assessment was to be limited to the CLD's administrative, financial and program management and specifically was not to include an analysis/review of the technical performance of the CLD in carrying out program activities.

Specifically, the assessment was to include the following:

- Administrative Management:** Activities and processes that relate to personnel aspects, such as roles and relationships among member institutions, lines of authority and personnel management.
- Program Management :** Activities and processes that relate to program needs, such as program planning and policy decision-making within the CLD, communications among the member institutions, as well as with client legislatures and US/AID and Embassy personnel, and timely submission of reports.
- Financial Management :** Activities that relate to processes of budgeting and accounting for funds, such as cost-effective and appropriate use of funds, allocation of funds among consortium members, administration of sub-grant agreements, and relating budgeting to program planning.

Two of MSI's senior consultants were charged with the responsibility for carrying out this assessment, Dr. Gloria Fauth, an organizational development consultant and Mr. Jack Corbett, a financial management consultant. This report presents the findings of the consultants' interviews, examination of project documents, their conclusions based on the data analysis and recommendations for future actions.

B. Activities

After meeting with Sharon Isralow, the A.I.D./W Program Manager for the project, to discuss in detail the scope of work the consultants met to plan their approach to the task. They requested and received from Ms. Isralow copies of the project paper, project progress reports, budgets, and the original proposal which would enable them to acquire an understanding of the project's history and operation to date. A questionnaire for the interviews with the principals was developed and subsequently used to interview the principals.

On July 1, 1992 they met, in Washington, D.C., with Mr. Carl Cira, A.I.D. Coordinator of Regional Programs for Democratic Initiatives, (RODI) Santiago, Chile. Mr. Cira is closely involved with the Centro de Estudios y Asistencia Legislativa (CEAL) project.

On July 21, 1992 the consultants met with the staff of the CFD in its Washington, D.C., offices. Attending the meeting were the Project Director, Dr. Allen Weinstein, the Program Manager, Mr. Caleb McCarry, the Chief Operating Officer, Ms. Patricia Williams and Mr. McCarry's Program Assistant. The consultants requested and subsequently received copies of the CFD/A.I.D. agreement and the sub-agreements with SUNY/A and FIU as well as the final work plan for Year 3 submitted to A.I.D./LAC. Mr. Corbett met with Ms. Williams on three subsequent occasions to review the financial statements.

Dr. Fauth interviewed Ms. Roma Knee, former A.I.D./LAC/DI Project Manager, by telephone also on July 21, 1992. On August 5, 1992, Dr. Fauth went to Albany and spent the day with Dr. Abdo Baaklini and Dr. Charles Dawson. On August 14, 1992, both consultants went to Miami and spent the day at FIU interviewing Dean Allan Rosenbaum and Mr. Gerald Reed. On August 18, 1992 Mr. Corbett went to SUNY/A to interview Dr. Baaklini concerning the financial aspects of the consortium. Mr. Corbett also met with Ms. Graziella Jacobs of Raffa and Associates, financial advisors to the Consortium.

Dr. Fauth and Mr. Corbett met in late August to discuss the results of the interviews, analyze the data and plan the final report.

C. Organization of Report

This report consists of six sections.

- Section I: Introduction
- Section II: Summary of Interview Data
- Section III: Administrative and Program Management
- Section IV: Financial Management
- Section V: Recommendations
- Section VI: CEAL and the CLD

II. Summary of Interview Data

Following is a summary of the data obtained in the interviews with Consortium members. The interview questions were asked of all participants, not always in the same order, as effort was made on the part of the interviewers to keep the flow of conversation going. Thus, when a question had been responded to as part of someone's response to another question that response was coded for the appropriate question. Care has been taken in this summary to honor the confidentiality of respondents. Individual institutions or persons have been identified only to the degree essential to the accuracy of the assessment.

1. What do you understand your organization's goals and objectives for this project to be? Those of A.I.D.?

Responses to this question were similar from all three institutions. All three saw their goal as strengthening legislatures in new and often fragile democracies. For SUNY/A this project represented the opportunity to put into practice a long-cherished and carefully considered position on the need for institution building in new democracies. For the CFD, their investment was similar — a genuine desire to use their skills, knowledge and insights to assist developing legislatures. FIU had the same central goal and also saw the Consortium as a way to maintain and expand their previous work in Latin America in the administration of justice and to bring the insights gained from this experience to a larger audience.

Respondents were less clear on A.I.D.'s goals, other than the stated one of strengthening legislatures and providing the services outlined in the contract. All three mentioned that they believed this project to be an example of A.I.D.'s commitment to democratic initiatives. Responses here were less direct and specific. There was, however, a sense conveyed that working with the "flat" type of organizational structure the Consortium had adopted was unfamiliar to A.I.D. and that this meant that A.I.D. had to learn to deal with this type of organizational structure which is very different from the more hierarchical structure of federal organizations, both in Washington and in the field.

2. What is your organization's role in the consortium? How does this role fit within the larger organizational structure? e.g., SUNY/A, FIU, CFD and A.I.D.?

The CFD saw its role as a broader one than the other Consortium members in that their organization is the "prime contractor" thus having final responsibility to A.I.D. for the operation of the Consortium. They also felt responsible to the other consortium members for managing the project including seeing to it that the sub-agreements with the other two institutions were followed, that the contractual requirements were met and reviewing and making certain that compliance issues were well managed. The CFD's officers also stated that they had a major role in defining the overall program scope in cooperation with other Consortium members. The CFD saw itself as bringing to the table Dr. Allan Weinstein's track record of successful interventions in emerging democracies, well established networks of influence both world-wide and in Washington, D.C., a program manager, Mr. Caleb Mc Carry, who would serve as Consortium Coordinator and who is fluent in Spanish and has extensive experience in work with legislatures. The CFD also believed it had the organizational capability to manage this large project.

SUNY/A saw its role as having contributed the conceptual framework of institution building based on Dr. Baaklini's previous work, of many years of experience in Latin American and elsewhere developing democratic initiatives, of a solid reputation in the field of having done quality work and as bringing the open, objective academic reputation of a major university to the project. Additionally, Dr. Charles Dawson who would serve as Program Manager for the project, brought his 10 years of experience serving as a professional staffer in the New York State Legislature.

FIU saw its role as applying the wide experience of Dean Allan Rosenbaum in legislative work both at the state and national level as well as making available the resources of a diverse and talented faculty with international and national experience in legislative work. FIU also contributed to the resources of the Consortium by bringing Mr. Gerald Reed on board as program manager. Mr. Reed, who is fluent in Spanish, had previous experience working with state legislatures and had done substantive previous work in Latin America. FIU also saw its role as providing access to a variety of technical resources, e.g., the Congressional Research Service. Additionally, FIU believed its reputation in Latin America, where its work had been well received would enable it to contribute effectively. Its location in Miami was seen as an advantage to the Consortium due to the city's proximity to Latin America and the Caribbean and with its Hispanic flavor making for an easy entry into the United States for Latin American participants.

While all three principals initially saw their role as one of co-equal participants, each with their own unique resources to contribute to the work of the Consortium they had a somewhat different sense of what their own and other's areas of expertise were. For example, in Dean Rosenbaum's mind there was a clear differentiation of roles with FIU taking the lead on needs assessments, SUNY/A having the responsibility of the graduate students and the CFD taking the lead in setting up conferences, meetings, etc. The other two institutions initially saw this differently based on the original proposal. Their view, as inferred from their responses to this question and as described in the project paper, was that the CFD would have a high profile role in the political arena, working with ATELCA, and arranging for conferences; SUNY/A would take the lead in institution building, needs assessment, seminars, and graduate education; and FIU would provide appropriate technical support. However, in the budgetary projections in the proposal, all three institutions were projected to participate equally in the major substantive activities of the Consortium. (See Regional Legislative Development Budget by Project Component, pages 32-38.)

The respondents were less clear on A.I.D.'s role, both in Washington and in the Missions. Responses to this question were of two polarities. One view was that there was not enough guidance from A.I.D./W, particularly early on, in terms of A.I.D. requirements for paper work, communication between the Consortium, the field and A.I.D./W, and that because LAC/DI had several changes in leadership during the first year mixed signals were received by the Consortium and the field about the project. The opposing view was that A.I.D./W and the Missions had a tendency to micro-manage the project — to get in the way of letting the experts do their “experting.”

The relationship between these individual perceptions and the way they saw their roles fitting into their respective larger organizational structure was clearly defined on an

institution by institution basis. The CFD saw the project as a major organizational responsibility that was a central activity of the Center and an appropriate use of its expertise. SUNY/A saw the project as an important program for the University, appropriate to its academic mission and as an opportunity to use its expertise and resources in a productive and helpful way. FIU saw the project in much the same way as SUNY/A.

3. How does the Consortium make decisions (WHO decides WHAT and HOW?) Formal Structures/Informal Structures

All three principals agreed that early in the life of the project a real effort had been made to use consensus as the formal method of decision making in the Consortium. This decision to use consensus as the primary method of decision making was written into the sub-agreements signed with the CFD. The sub-agreements also provided for a voting procedure that could be used when consensus was not possible. In this procedure the CFD had to be aligned with one of the other two Consortium members. In effect, no decision on a particular matter could be taken without the concurrence of the CFD. In the first year of the project the quarterly meetings were the time when all project related decisions were made. An agenda was developed before the meetings with input from all members regarding program initiatives, requests and any other items of business. These early quarterly meetings were viewed by all the participants as useful. They were seen as furthering the team approach to their tasks, clarifying their individual areas of expertise and building trust. Nearly daily contact between operating personnel was used to deal with logistical arrangements and minor problems.

The CFD saw the issues around decision making as a “shake-down” issue in the life of the Consortium. Their response to the confusion and on-going controversy was to exert more control over finances and travel, especially after Ms. Williams joined the staff. SUNY/A looked at this struggle as indicative of the issues of co-equal institutional participation and regarded it as a part of the process of establishing clear boundaries among the partners, as a temporary glitch in the machinery which would be resolved when the newest partner felt equally involved. SUNY/A also believed that Consortium decisions should be based on considerations of expertise rather than a principle of equality among participants. FIU viewed this differently. At the beginning they were determined to be equal partners and believed that this was the agreement, spelled out in the formal sub-agreements. When their positions on issues or their actions were questioned, they felt that the consensual model was not being followed and that the CFD had moved to a position of “It’s our contract — You can take what we offer or leave it.”

In addition, responses to this question suggested that the issue of “equal participation” was interpreted differently by the participants and became an issue around which there has been continuing misunderstanding and conflict.

3a. Program, i.e., who initiates action, who manages the programs, who does the evaluation?

When the Consortium first met, specific project activities had been outlined in the proposal but not yet assigned to specific institutions. These assignments were part of the original consensus building and were spelled out in the sub-agreements. Once these were made the program managers and directors worked on their assigned components with a high

degree of autonomy. This area is one in which there does not appear to have been thorough planning and assessment of skills, expertise and interest. Responses to this item elicited long explanations each given with their own institution's "spin." Apparently, the program managers, (McCarry, Dawson and Reed) worked well together and when not having to carry their institutional flags were able to resolve issues and develop work plans. The issue of the meaning of "equal participation" once more influenced this work and one had the sense, listening to their responses, that many agendas both overt and covert, were factors in the Consortium's choices about who would do what, and how many of the institutions would be involved in any specific component.

3b. Finances, i.e., how are consortium funds allocated?

Responses to this item focused on the original allocation of funds into three essentially equal pots based on their "co-equal" organizational structure and their concept (not a shared one) of equal participation. Responses tended to trace the history of how the Consortium came into existence at the suggestion of A.I.D. (or from Consortium members themselves depending on who was responding), their recollections of dividing up the total into equal shares with allowances for the CFD's administrative responsibilities and for SUNY/A's post graduate studies, as well as their thinking in so doing. Conflict over funds seems to have begun fairly early in the life of the project. FIU mentioned their dismay at discovering shortly after the sub-agreements were signed that an "in-kind" match of 50% was required of Consortium members (this was subsequently resolved to their satisfaction) of which they were not aware, early concerns over the "equal participation" concept, e.g., did all three institutions need to be represented at every project event, and the issues around deciding how to allocate the "buy-in" funds — again an issue of three equal pots or to each institution as the "buy-in" agreements were negotiated.

The CFD responded with detail about the financial management system they have introduced with particular focus on the changes in procedure that have been implemented since Ms. Williams joined the organization. Both universities gave detailed descriptions of how the financial aspects of this grant are managed by their universities. At FIU all grant monies are managed by the Office of Sponsored Research through the Controller's Office. The Department of Public Affairs sends both a semester and monthly statement to the Controller's accounting for their expenditures and the Controller's Office sends a monthly invoice to the CFD. Each "buy-in" has a separate invoice. Salaries and fringes are handled as line items in the Department and University budgeting systems and there is no daily log kept as to amount of time spent on various activities. At SUNY/A the system is similar with grant monies being handled by SUNY/Central, a division of SUNY established to manage research (The Research Foundation) and other grant monies.

Both Universities mentioned the substantial in-kind contributions their institutions have made to the Consortium in the form of tapping relevant faculty resources, the "free" labor of graduate students, and at SUNY/A, tuition waivers for the graduate students participating in the program, access to a wide variety of University services, etc.

3c. Policy, i.e., who makes policy decisions, how are these monitored, what kinds of policy have been established?

All three Consortium members responded that this was an area that had not received

sufficient attention from them. SUNY/A responded that in their opinion the Consortium had followed policy and procedure guidelines which A.I.D. set forth and had not set forth any of its own save on a case by case basis. The CFD stated that this was an oversight in the early history of the Consortium that affected who participated in programmatic efforts. As they see it FIU consistently desired full participation for all three institutions, SUNY/A wished to participate more selectively, i.e., when there was a specific role for them to perform, and the CFD tried to accommodate both points of view. The CFD also saw policy and procedures driven by A.I.D., particularly in regard to communication protocol and the ways in which the Consortium informed A.I.D./W and Missions of their activities. This was a specific area of weakness that the CFD believes to be corrected at this point. They saw the design of the program and its implementation as the Consortium's responsibility and indicated that only recently has the CFD begun to establish policies and procedures concerning programs. FIU responded to the policy/procedure issue by noting that Mr. Reed had brought this issue up at one of the first Consortium meetings where it was discussed but not resolved. They saw the reality of the policy situation being one where policy and/or procedures have been established on a case by case basis without any consensual agreement on guiding principles. This was viewed as sometimes necessary since the needs of Missions vary from country to country. However, it was an area that needed to be revisited.

Also mentioned in these responses was the perception that A.I.D. was "new" at the democracy initiative business and coming from an executive branch background found it difficult to understand how legislatures "behave" and the need for them to be self-determining if the democracies are to flourish. Concern was expressed that A.I.D. appeared to have difficulty managing the ragged and unpredictable developmental pattern of legislative bodies since they were more accustomed to managing projects that had clear, proscribed outcomes.

3d. Personnel, Who, What do they do, Who hires and/or fires, who evaluates? supervises? Who is responsible for what? Is staffing adequate for the work of the project?

At the CFD the Project Director is responsible for personnel decisions, hiring, firing and supervising employees and delegating this responsibility where appropriate. The Program Manager's role at the CFD has been one of heavy responsibility and demanded unrealistic time commitments. Now that an assistant has been hired it is hoped that the burden will moderate. In general, the CFD finds its resources heavily burdened and overworked. They believe that they are understaffed for a project of these proportions.

At the Universities, hiring is done in compliance with University requirements and is overseen by the University. Employee evaluation and supervision is the responsibility of the Project Directors as is the assigning of responsibilities. While having access to University resources has helped to ease the burden of this project, both reported that the project has demanded an excessive amount of their time and energy, especially the Program Managers.

4. **How has the organizational structure worked out? Worked well—not so well—not worked?**
5. **Who is in charge of the consortium? How do you know this?**

As responses to these two questions overlapped significantly participants' responses to both are summarized here.

From FIU's point of view the organizational structure has not worked very well. They saw the "flat" Consortium structure of equal partners as not only desirable but essential to successful work in the field. It is their position that the clients are best served by a collective approach — one that maximizes the opportunities for each client to get as broad an exposure as possible to a variety of expertise and all of the resources that the Consortium has to offer — as opposed to a model that differentiates abilities and assigns tasks based on expertise only. They cite the example of the needs assessments where they believe that the best work was done when the differing perspectives of the three Consortium members were brought to bear. They believe that the Consortium had adopted a co-equal structure and should have lived by it and feel betrayed that it does not appear to them that it has done so. Thus, they see the structure as having gradually changed, most dramatically, three or four months ago and without their input, to a hierarchical one with the CFD calling the shots. They point to specific actions of the CFD as examples of this. One, is the fact that memos written by the CFD to A.I.D. are not vetted to the other Consortium members before being sent to A.I.D. Two, there is considerable resentment on FIU's part concerning the Costa Rica "buy-in". FIU believes that the CFD acted to limit the involvement of FIU and SUNY/A in a unilateral fashion. They were not informed of these changes, indeed, they found out about them when in Costa Rica. Thus, there is an almost total lack of trust on FIU's part with the Consortium's leadership, particularly as regards financial decisions made by the CFD. They believe that their contributions have been minimized and their perspectives on program strategy largely ignored.

SUNY/A also thinks that the organizational structure has not worked as planned. They see the central difficulty as being that there were no clear boundaries established early on about areas of expertise and thus involvement in program activities. Their perception was that the CFD was to be the lead institution as indicated in the memo of understanding signed early in the project and that all three institutions would be equal partners. While they perceive that from the beginning there were conflicts over the level of involvement, e.g., should all three institutions be involved in every activity, that this came to a head at the time that the "buy-ins" became an issue. It was at this point that the competition between the members of the Consortium became an issue of divisiveness. SUNY/A believes that the Consortium did not have a successful mechanism for resolving conflict when consensus could not be reached and that the CFD did not have (or exert) enough authority to step in and make a final decision early in the project. As an example of this they cite the frequent calls made by FIU to A.I.D. by-passing the CFD. This was seen as lessening the authority of the CFD and weakening the organizational structure. They see their role as having given the CFD every opportunity they could to take the leadership role and that while this has been slow to occur, it is now happening. They firmly believe that there was a lack of differentiation of abilities in the beginning, and that there was not sufficient complementarity among the Consortium members to support the co-equal

approach. This led to large amounts of energy being devoted by the CFD to satisfy the members of the Consortium rather than being devoted to doing the Consortium's work. They also believe that a good deal of the CFD's energy has gone to the peace-maker role within the Consortium. In their opinion, clients would be best served if the Consortium sent the institution or individuals best qualified to meet the needs of a specific assignment. They see little to be gained from insisting on equal participation in every project activity. Dr. Baaklini, in particular, thinks that there are different expectations of University personnel in the field, that they are expected to be and to act like experts — that they are not a network of resources.

The CFD responded to these questions with acknowledgement that its management style has radically changed in the last seven or eight months. The change was initiated due to several factors. One, there was pressure from A.I.D. based on complaints from the field about the way in which the Consortium was functioning. Second, the Price Waterhouse audit turned up some issues of concern. Third, the CFD recognized that there were issues to be addressed that demanded a more directive style than it had been using. These factors, plus the addition of Ms. Williams to the staff and the resulting clarity about financial issues, the continuing conflict between SUNY/A and FIU (especially over Guatemala), and its strong commitment to the success of the Consortium led to their decision to take a "leaner, meaner" approach to management and a more intellectual role in framing program strategy.

6. Program Management—What are the responsibilities of the program managers? How do they relate to one another? Who coordinates programs in the field?

All three Program Managers (McCarry, Dawson and Reed) saw their role as one of coordinating, implementing, and arranging for programs. They serve as the logistics experts, the writers and collators of data and handle correspondence with the CFD, A.I.D. and Missions and legislatures in the field. Aside from minor disagreements the Program Managers all stated that they got along well with one another and enjoyed working together. They noted that this worked best for them in the field where there was less attention to carrying their institutional banners and more attention to the work at hand. Coordination in the field has been variously assigned, depending on the situation. Mr. McCarry has often assumed this responsibility. They all reported being overworked.

7. How are communications managed? (WHO talks to WHOM about WHAT) Formal and Informal

a. Within the Consortium

The picture that emerged from responses to this item painted a picture of a communication process, both internally and externally, that has been complex and confusing. Initially, the internal communications were handled mainly by conversations between the Project Directors, and the Program Managers. No specific procedures were developed in the early days that delineated how communications were to occur. Communication by telephone or fax occurred on an almost daily basis in the early months of the Consortium's life and follows much the same pattern today. Program Managers (including Ms. Williams) communicate with the greatest frequency. The Project Directors also communicate by telephone or face-to-face during scheduled meetings. Written communication was some-

what limited early on with the sub-agreements and logistical arrangements being the most obvious examples. Even at this early time, it appears that dialogue between the Project Directors did not always involve all three simultaneously. This led to some confusion about who said what to whom and written memos and letters began to increase as confusion and competitiveness grew.

The CFD began to tighten up the communication procedures at the time that they began to exert a more directive leadership style. This change was not communicated in the form of a set of new procedures for internal communication, but largely by CFD demonstrating a new style of communicating, with more written communications and increased requests for information in writing from SUNY/A and FIU. The CFD thinks that they now have a clearer understanding of how to manage the communication process. It is not at all clear that this understanding is shared by the other Consortium members.

b. With A.I.D./W

The communication pattern with A.I.D./W has been complex. Several factors appear, in the minds of Consortium members, to account for this. First, A.I.D./W's procedures and communication protocols were not well understood by the Consortium in the beginning. The need for everything to be in writing and copied to many A.I.D. Offices and Missions was very different from the more relaxed and direct communication patterns of a university. There was, therefore, a learning curve on the part of the Consortium made more steep due to the fact that the amount of paper and fax communication seemed unduly redundant to the Consortium. Second, individual Consortium members called A.I.D./W with their problems and concerns on a frequent basis, particularly during the first year of the project. When A.I.D./W responded to these concerns, usually with another telephone call to the CFD, the communications tended to become increasingly convoluted — the 'he-said, they-said' routine. In a similar way, Consortium members frequently communicate with one another as well as their clients on a more informal basis. How these informal communications are shared with one another, even to the point of informing one another that they have had a conversation is unclear. Third, the simple fact that there is a large number of people/offices with whom communication is necessary further compounds the problem.

c. With Missions and with in-country legislators, agencies

Communications with the Missions, in-country legislators and agencies have apparently been less troublesome in the Consortium's view than have their internal communication. Mission staff set up communication protocols with the Consortium and these have, according to the Consortium, worked satisfactorily. The only difficulties reported here were those resulting from differences in pace between the Missions, the Consortium and the Legislatures. The sense was that the Consortium was often ready to move more rapidly than were the Missions/Legislatures. Responsibility for communications in-country have been delegated to the lead Consortium member working on the project. How the CFD is informed of in-country events is unclear and apparently done on an informal basis. The one area that appears to have caused some disruptive moments has occurred when two Consortium representatives arrive in-country and there is a disagreement as to strategy. This has led on at least one occasion to open disagreement, in the presence of local

representatives, between Consortium members.

8. What kinds of conflicts have arisen? How are conflicts managed?

Early on in their relationship the principals each perceived that they were managing to resolve the conflicts that arose using their collegial consensus model. Mentioned by all respondents were conflicts over the allocation of funds, assignments, equal involvement in decision making and what that should look like, who should participate in what activities, differences in personal style, who was talking to who and not informing the others, strategy regarding programs, how the "buy-ins" were to be managed and allotted, over the perception that the original sub-agreements were being violated, over the conceptual framework of the Consortium's work and many other smaller issues. Opinions as to how effectively they had managed the conflict were divergent. All three principals agreed that early in their relationship, it appeared that their quarterly meetings were meeting this purpose. The point at which this broke down was seen differently by each institution.

9. What has your organization gained from being a member of this consortium?

SUNY/A: 1) The Consortium has given us a D.C. presence. 2) The Consortium has provided us greater access across parties, Congress and A.I.D. through the CFD. 3) It has freed us from having to deal with the A.I.D. bureaucracy. 4) Working with A. Weinstein and C. McCarry has been enjoyable. 5) The opportunity to further develop the concept of institution building.

CFD: 1) The opportunity to implement a program we had dreamed of being able to do. 2) We have widened our circle of friends and acquaintances in the hemisphere. 3) It has taught us much about managing our own Center, particularly in broadening our own expertise in administrative and management structures. 4) It has brought our own hemispheric family closer. 5) We have been able to incorporate SUNY/A's academic expertise into our organization which has enabled us to advance our work.

FIU: 1) Working with the Consortium has reinforced our institution's visibility in Latin America and the Caribbean, opened up new contacts and networks in a new area for us, i.e., the legislative arena. 2) Receiving a large federal grant helps the University's reputation among universities — the financial gain has been marginal at best but the image of the grant and our work in relation to it has been helpful. 3) It has enabled the School of Public Affairs to build a relationship with legislatures in Latin America and the Caribbean. 4) Some of our faculty have benefitted from participation in both professional and personal ways. 5) It has allowed the Program Director to continue his career development.

10. What have been the liabilities of being in the consortium — what have you lost or had to give up?

SUNY/A: 1) Managing the "baggage" that each of us entered the relationship with has been frustrating and time consuming. 2) Dealing with FIU has been a constant pressure. 3) Each of us entered with some previous opinions about the others' past experience in this area which probably influenced our work together.

CFD: 1) The increased number of persons involved in decision making has made it necessary to spend undue amounts of time redefining the structure of the decision making

process. 2) Coordinating the end goals of members and developing systems to help those be realized has been time consuming and stressful.

FIU: 1) Work on this project has drawn me (Dean Rosenbaum) away from other responsibilities and this has impacted the School of Public Affairs and led to some internal criticism. 2) Space, equipment and people have been dedicated to this project which would have been used elsewhere. 3) Many faculty have given pro bono work. 4) The Program Manager thinks that he has spent too much valuable time fighting a rear-guard action with SUNY/A and the CFD, that the original unresolved problems have continuously gotten in the way, leading to frustration and stress.

11. What would need to change in order to insure maximum performance of the consortium? (See responses to question 12, as the overlap in responses led to combining the responses to these two items.)

12. How do you think the consortium is working?

a. What works well and doesn't need to be fixed?

b. What works OK but could use some fine tuning?

c. What isn't working and needs to be fixed?

SUNY/A: 1) The relationship with the CFD. 2) In spite of our internal problems the work has gone exceptionally well. 3) The CFD must continue to exert direction and make the tough calls. It needs to be clear to all who votes on decisions and who resolves conflicts when consensus is not possible. 4) A.I.D./W should deal with the CFD as the prime contractor and leave the other two organizations out of the A.I.D./W loop. 5) It would be facilitative if the Consortium members were all at one site, there is much to be gained from sharing our experiences in the field. 6) Free us up from Mission red tape so that we can do our work with the legislatures.

CFD: 1) Resolve the conflict between FIU and SUNY/A by clarifying the specific and concrete strengths each brings to the project — is it appropriate or sensible to have two universities involved? 2) We need to find a Latin American partner perhaps INCAE. 3) Clarify the relationship between SUNY/A, and CEAL. CEAL should be folded into the Consortium. 4) Add the ability to tap into more technical expertise.

FIU: 1) Trust must be re-established between the Consortium members — we can continue to work but the tension level and the misunderstanding will continue unless this happens. 2) We must all operate in the best interests of the Consortium and not as individual institutions. 3) Live up to the sub-agreements and consult with all members when decisions must be made in a collaborative atmosphere about all project decisions but especially financial decisions which impact our institutions. 4) Give us the funds for the third year and let us decide how to use them and we'll accomplish the work. 5) There is not much hope of going back to a truly collegial model as originally conceived, but roles and relationships and communications will need to be clearly resolved for the third year. 6) Possibly A.I.D./W should assign program responsibilities from here on if the difficulties cannot be resolved. The formal organization of the Consortium could continue to exist.

13. If this project were just beginning today, would you agree to the consortium structure or not? Why or why not?

SUNY/A: Probably not — the program should be assigned to one prime contractor and one or more sub-contractors with clearly defined responsibilities. Yes, only if we would have the freedom to choose partners to insure complementarity. It could have worked but personality conflicts and unclear boundaries has made it very difficult internally. Real complementarity exists for example, between the CFD and SUNY/A. We would do it over with them. If we could manage the substantive issues differently, e.g., build on Dr. Baaklini's work in the field with legislative committees, have specialized technical assistance for legislative sub-groups, work with partners who understand legislative development and institution building it would be worth any amount of effort.

CFD: Yes, but exerting more influence from the beginning than we did.

FIU: Yes, this has been a positive professional experience. We've done some good work.

III. Administrative and Program Management

A. Overview of Consortium History

Prior to a discussion of how the CLD has handled its administrative management it is important to review the conditions which led to the establishment of the consortium.

When a consortium is formed as an organizational entity it is usually done to provide the means by which two or more institutions can pool their highly differentiated resources, in order to bring about the synergy that this combined expertise will bring to the accomplishment of the consortium's goals. Central to the success of any consortia is careful initial selection of member organizations in terms of identifying the skills, resources and abilities they bring to the accomplishment of the project's specific goals and objectives. In the initial planning of consortium operations there is careful attention given to the ways in which tasks will be completed, careful analysis of roles and relationships between the member organizations, and detailed work plans for task accomplishment. A new organizational entity is created, usually perceived as a temporary system, with a collaborative approach to task accomplishment, a strong central executive function and detailed financial planning and management. Historically, consortia have been used in international development, largely in the private sector, to allow more developed nations to provide the financial backing, technology and training that developing countries lack and to combine this with the developing country's own natural resources and labor in the completion of a specific task. Universities have used the consortium model for similar reasons — to broaden the base of resources they have available to accomplish a project.

The Consortium for Legislative Development, as nearly as can be traced in retrospect, appears to have had a less definitive start. Formed, at least partially, as a solution to resolve an internal A.I.D. dilemma, the concept of a consortium was, in the original proposal, based on the known expertise of three organizations, the Center for Democracy, the State University of New York at Albany and its Center for Legislative Development and Florida International University's Latin American and Caribbean Center. In the original proposal there was some degree of differentiation among the proposed members of the CLD. The CFD would bring its known ability to operate successfully at high levels of international government as well as its experience with emerging democracies, SUNY/A would bring its expertise in institution building and extensive work with emerging democracies and their legislative development, and FIU would contribute professionals who would be able to provide a wide variety of technical support services. All three institutions had experience in Latin America and the Caribbean. Conceptually, this mix provided a sound base for a consortium. However, before the CLD even began operating, but after the grant had been awarded, a major shift was made in personnel. FIU changed the academic unit which would be participating in the consortium and included personnel from a different academic unit, the School of Public Affairs. The staff from FIU who were added to the consortium were well qualified for the work to be done but not as clearly differentiated in terms of the skills, abilities and resources they brought as the originally proposed group. Thus, the complementarity of the consortium participants was altered. This situation created a substantial degree of overlap in the abilities and resources of the CLD.

It is of interest to note that, depending on who is relating the history of the CLD, there are several versions of how it came to be. Some think that A.I.D. suggested the Consortium concept and pushed for a proposal, others think that individual members came up with the idea and got

together to prepare and submit the proposal. There was some initial confusion about how and why the Consortium would be constituted and this contributed to its later problems. In spite of this confusion, the individual institutions who were participating in the Consortium were dedicated to the goals of the Consortium and heavily invested in successfully accomplishing their work.

B. Analysis of the Administrative/Program Management of the CLD

Since the CLD started its life as a new organization it will be useful to analyze its development and functioning in relation to a model of group development in work settings. All groups are unique, dynamic, complex, ever-changing living systems that are different than the sum of the individual members. At the same time all groups go through similar stages as they grow from a collection of individuals to a smoothly functioning effective team or organization. It has been thoroughly documented through countless research efforts during the past forty years that small groups, such as the CLD, go through a series of predictable developmental stages during their group history or life cycle. These studies are remarkably consistent in their identification of developmental stages, regardless of the purpose for which the group was assembled.

One of the most recent and thorough efforts was completed by Lacoursiere.¹ He developed a five-stage model that synthesizes most of what is known about group development. Lacoursiere's five stages include: 1) Orientation, 2) Dissatisfaction, 3) Resolution, 4) Production and 5) Termination. While these stages are identified as separate and unique, it is important to remember that there is a considerable degree of overlap and in fact, some elements of most stages can be found in every other stage. However, the model helps to identify those behaviors which seem to be predominant in each stage of a group's life and assist in diagnosing the group's level of development, the issues it has and has not resolved, how these affect its current efforts and what developmental tasks remain.

The following diagnosis of the development of the CLD is based on the analysis of the interview data and the review of critical documents and is presented in terms of the Lacoursiere model.

Stage 1: Orientation

This stage is marked by low to moderate task accomplishment with the groups' energy focused on defining the goals and task, how to approach it and what skills are needed.
Group members

- *are moderately eager*
- *have generally positive expectations about the outcomes of the experience*
- *show some anxiety and concern about the situation, what they are there to do, what they will get out of it, and what the stated purpose of the group really means*
- *have some moderate anxiety about other members, particularly when they do not know them well or have had past experiences with them, whether the past experiences were positive or negative*
- *have a tendency to be dependent on authority for initial direction*

The orientation stage for the Consortium began when the initial participants met to discuss the proposal and negotiate the final conditions of the grant with A.I.D./W. This meant that the final group constituting the Consortium was not uniformly involved in defining the goals and objectives of their work. When all of the final participants met to work through their initial organizational

tasks, two of the members, the CFD and SUNY/A had a shared understanding of the project's goals and activities from their previous preparatory work and the third member, the new participants from FIU, did not share the same understanding since they had not been involved in creating it. While this was probably not a significant factor in the early days, it is an example of the uneven footing with which the Consortium began its work.

The first meeting of the Consortium resulted in an agreement that the CFD would be the "lead institution" as regarded contact with A.I.D. This is reflected in both the CFD/A.I.D. agreement and the sub-agreements as well as in the allocation of funds. While the issue of each organization's specific programmatic responsibilities was discussed at this time, the sub-agreements, signed somewhat later, more specifically spelled out the scope of work for each of the three institutions. The overall guiding principle of this and other early sessions was that each institution would be an equal partner. A Consortium Committee was established, comprised of the Director of each institution (with the Program Managers participating in discussions) to make major program decisions. It was determined that quarterly meetings of the Consortium Committee would be held and would be the occasion for making major program decisions and that frequent communications among operating personnel would manage the operational details of their work. The decision on a particular matter could be made without the concurrence of the CFD.

Based on the fact that two of the participating organizations were universities it is not surprising that the CFD elected to have a relatively "flat" organizational structure. That this was a considered decision is evidenced by the selection of consensus as the decision making process for the Consortium. This decision is reflected in the sub-agreements signed by SUNY/A and FIU with the CFD. The decision to use consensus as the decision making mechanism was apparently based on several factors: 1) they believed that they all had a sense of the expertise and experience of the others and thus felt that a consensus would be within reach and 2) that this process would support their individual commitment to the Consortium and assist in building the trust necessary for collaboration, and 3) it was a decision making model with which they were familiar and comfortable.

Other factors, although less explicitly stated by respondents, influenced the decision to use the consensus process for decision making. Universities traditionally operate on a model of administrative management that, at least at the department level, highly values the concepts of collegiality and shared responsibility. However, even within this model differences in the way it is operationalized exist. This is particularly clear in the case of the CFD. SUNY/A and to some degree the CFD, saw the model as one in which experts bring their skills, knowledge and experience to the clients and that those skills, knowledge and experience would be differentiated and program components assigned to members of the Consortium based on their expertise. FIU, on the other hand saw the model as one wherein the clients would be best served by a more collective approach — one that insured that each client would have the opportunity to get as broad an exposure as possible to a variety of expertise and the differing perspectives of Consortium members. Compounding these differences, in the eyes of SUNY/A and at a later time, the CFD, the complementarity that led to the agreement to form a consortium was lost at the point at which the participating personnel from FIU were changed. However, given that FIU had made these last minute changes in the personnel who would be involved in the Consortium, the CFD and SUNY/A believed that it was important they feel included and valued as "equal partners." The CFD and SUNY/A had some previous work experience with one another and were

comfortable with their relationship. Thus, they were hopeful that FIU would become comfortable with them. The feeling was that the consensus building process would be supportive of FIU's feeling included and involved in the Consortium.

In the orientation stage of the Consortium's life, when expectations were high, consensus was at least superficially reached on major areas and all were eager to get on with their work. Therefore, it was relatively easy, as in any new and evolving relationship, to bury their anxieties about what their roles and responsibilities were to be, what was specifically intended by equal participation, what the lines of authority were to be, who was responsible for what, and how conflict would be managed and to rely on collegial consensus to work out the details as they went along. An example of this dependence on the good will of others is demonstrated by the group's reluctance to pursue the issue of establishing policies in the early months of its life. They expected some guidance from A.I.D./W in these formative days and expressed disappointment that their expectations for official early guidance were not met.

The effectiveness of managing the internal communication process in an organization with a co-equal structure is dependent on the clarity of tasks, individual roles and responsibilities, lines of authority and the level of trust. The lack of trust currently existing among Consortium members has impacted on their internal communications. Communications within the Consortium occur on a daily basis, either by telephone or in the form of written documents and on the occasion of their quarterly meetings or work in the field, on a face-to-face basis. Program Managers (including Ms. Williams) communicate with great frequency. The pattern of communications appears to most frequently involve two of the three Consortium members with the third not involved, notably in the last six months. While early in the life of the Consortium substantive efforts were made to involve all three members in the communication process, either during quarterly meetings, meetings on-site in the field or through conference calls, there appears to have been increasingly less effort at having all three principals simultaneously involved in discussions and an increase in the number of memos and letters. This alteration in communication pattern has led to considerable tension and distrust. SUNY/A and FIU question whether their positions on various issues are always accurately represented by the CFD in communications with A.I.D./W. As previously noted, FIU thinks that all communications with A.I.D./W and the Missions or Embassies should be vetted to Consortium members for comment and clearance before they are transmitted. With the change in the leadership style of the CFD, communications have been increasingly in the form of memos — a fact that creates a sense of decisions being a *fait accompli* and contributes to the lack of trust and sense of alienation.

The Consortium has not developed a formal set of procedures for communicating with A.I.D./W or the field. The CFD has made revisions in the communication procedures and believes that the previous problems with late notification to LAC/DI and/or the Missions concerning scheduled program activities, country clearance requests, etc. have been resolved.

The length of this stage depends on how clearly the task is defined and how easy it is to achieve. For the Consortium, the task had been defined in the proposal so it should have been relatively easy to move through this stage. However, the late changes in the FIU staff made it important that the task be redefined and clarified. Since this was not completely resolved during this stage it has carried over as an agenda into later developmental stages.

Stage 2: Dissatisfaction

At this stage the work of the group may be disrupted by negative feelings, whether these are surfaced or not. The group reflects a slowly increasing ability to accomplish its tasks. There is a definite dip in morale of the group at this stage, the intensity of which is attributable to the degree of discrepancy between the initial expectations and the reality of the situation as perceived by the members. The more complex the goals and tasks of the group are, the later this stage emerges and the longer it lasts. Some groups become stuck in this stage and continue to be both demoralized and relatively unproductive.

During this stage group members

- *experience some discrepancy between their initial hopes and expectations and the reality of the situation*
- *become dissatisfied with dependence on authority*
- *often have feelings of frustration or anger about goals or tasks*
- *may have some negative reactions to the formal leader or the person or group seen as the authority*
- *sometimes experience feelings of confusion and incompetence*

When the day-to-day operation of the CLD began to surface the philosophical differences in the meaning of equal participation (around operational issues such as, who should go where, how many should go, should everyone participate in all activities, how should the "buy-ins" and bilateral agreements be managed), the fact that there was no explicit resolution of these issues led to individual members competing for opportunities, suspecting one another's motives, and attempting to resolve the underlying philosophical differences through competition for participation.

As the project developed, the use of consensus became increasingly more difficult. This can be attributed to several factors. First, as individual institutions struggled to find their niche in the Consortium they frequently went outside the Consortium to A.I.D. for support, particularly when they did not like the direction taken on a program activity, thereby subverting the consensus process. Secondly, it was difficult to get everyone together to reach consensus even by telephone and so the process broke down. Third, individual members became less invested in the Consortium as an organizational entity and more invested in securing their organization's position within it.

In the beginning of the Consortium's work together the management style was highly participative. Each institution reported that they invested a great deal of time and energy in working through the original working agreements as equal partners. The implementation of these decisions fell largely to the Program Managers and other support staff in terms of the day-to-day actions which needed to be taken. The Consortium was able to successfully begin their work, although the conflict about who should do what and how many should go was resolved on a case-by-case basis, often with A.I.D./W making definitive input — not by the Consortium reaching a consensual policy decision to which all offered their support.

There was, during this period, no budget by which to measure the expenditures of time, effort and money of the participants against the performance of tasks by the Consortium members. As a result, resolution of issues was not constrained by a budget. Each member had the freedom to solve its problems without worrying about overall project objectives and financial resources.

The lack of clarity about policies and procedures for "buy-ins" and bilateral agreements has further complicated the Consortium's operation. While it is accurate that the Regional Agreement was aimed at creating "buy-ins," what is unclear is the level to which the activities identified in the Regional Agreement (i.e., needs assessments, seminars etc.) can be attributed to prospective or existing "buy-ins." The Consortium regards "buy-in" activity as seamless with the Regional Agreement. Thus, until there is a "buy-in" agreement, no charges or time can be attributed to the "buy-in." Even after a "buy-in" agreement has been reached, there is an expectation on the part of the CLD and apparently their clients, that the Regional Agreement will support activities not covered by the "buy-in" but necessary to it, e.g., administrative support. It is unclear if the CLD believes that other expenditures related to "buy-ins" such as travel and personnel are to be covered by the Regional Agreement. Thus, the issues of how the Consortium was to manage both the developmental work for the "buy-ins" as well as the long-term support for the activities identified in these agreements has not been specified in the budget nor has the Consortium discussed this issue in relation to policy and procedures. This has the potential of creating serious financial dilemmas as well as future problems in implementing the "buy-in" agreements.

The responses to the interview questions make it clear that there is not a successful mechanism for resolving conflict within the Consortium — a mechanism that does not create winners and losers but serves to clarify roles and relationships so that everyone can maintain their investment in the Consortium. That this has been an organization marked by a high level of internal conflict is evident. The conflicts have been frequent, divisive and at many levels. While there is a clause in the sub-agreements that two of the three institutions can vote to resolve an issue around which consensus is not possible, provided that one of the two voting is the CFD, it was stated that this mechanism has never been formally used. While allocation of funds, particularly for travel, has often been the surface topic around which controversy occurred, the real source of the conflict has probably been deeper and based in the unresolved dilemmas regarding equal participation, roles and responsibilities, perceptions of one another's area and level of expertise, competition for tasks and jockeying for position during operations in the field. Shortage of resources did not surface as a problem.

As the climate within the Consortium became increasingly contentious, the CFD began to exert a more directive leadership role and the other institutions, particularly FIU, felt shut out of the decision making process. As the CFD began to demonstrate this more directive leadership style, the fact that roles and responsibilities had not been adequately defined and that budgetary procedures had not been established that permitted the Consortium to track expenditures with program outputs became an issue. The CFD had become gradually aware of the management problems as they surfaced several months ago and acted, more or less unilaterally, to correct them in line with their perception of being the "lead contractor" and pressure from A.I.D./W. This resulted in increased demands on the other two members to supply information about their program efforts, their finances and their future plans in more detail, more quickly and in writing. It also resulted in the CFD using written communications to interact with the other Consortium members to a much greater extent than in the past. Consortium members were asked to clear,

with the CFD, communications with the field and A.I.D./W before transmission (particularly with regard to "buy-ins") and to let the CFD manage communications with A.I.D./W. There was also a closer scrutiny of the allocation of funds and which expenditures were being charged to core funds. In other words, the CFD began to behave more like a central executive traditionally behaves and less as an "equal partner."

It is easy to see how this unannounced change in behavior caused suspicion and discontent with the other Consortium members. It is not so much an issue of the validity or the reasons for the new behavior, indeed, all would agree that some changes were needed, but more an issue of a sense of it being a violation of their agreement to function as equal partners. SUNY/A was not unduly disturbed by this change, (although they do not like the increase in written communication) they, in fact, see it as desirable. FIU perceives this change as further questioning their competency and intentions. FIU feels more and more excluded, that they are being treated like second-class citizens in the Consortium and consequently work harder and harder at being included, even when it means being seen as argumentative and resistant.

It is not now possible to reconstruct with accuracy the early discussions of the CLD as regards the issue of collegiality and the administrative structure that evolved, but it is clear from later developments that there was not a thorough understanding of what each of the Project Directors meant by and what their expectations were regarding the concept of equal participation, nor were their differing opinions sufficiently explored to be resolved to everyone's satisfaction. There still exists among the members of the consortium considerable philosophical distance between these two concepts.

Thus, the group's development has become stuck in the dissatisfaction stage. While the impact on their work has apparently been minimal as their progress reports indicate that the work has proceeded pretty much as planned, morale dipped and aside from brief moments of elation over a well executed task, has remained low. The lack of clear lines of authority when working together in the field has led to some public disagreements between Consortium members. These have done little to enhance the client's view of the Consortium as an organizational entity.

Stage 3: Resolution

At this stage of group development group members

- *become less dissatisfied as ways of working together become clearer*
- *resolve differences between initial expectations and realities in relations to goals, tasks, and skills*
- *experience less animosity directed toward other members/leaders*
- *develop feelings of mutual respect, harmony, trust — group cohesion is evident*
- *take pleasure in task accomplishment which begins to overcome earlier negative feelings*
- *begin to feel more self-esteem in relation to group membership and task accomplishment*
- *work on tasks increases as skills and understanding develop and is enhanced by positive feelings among members.*

The length of this stage is very dependent on the ease of resolving feelings of dissatisfaction, the quality of interpersonal relationships and the ability of the group to develop norms and processes that enhance their ability to work together and to value differences. If these conditions are unfavorable, the group may dissolve or remain in the dissatisfaction stage. Since the feelings of cohesion and confidence are new and somewhat fragile, the group may tend to avoid conflict or differences for fear of losing the positive climate. This usually retards the group's development and leads to less effective decisions.

The movement of the Consortium into this stage has been uneven and only partially accomplished. There has been improved clarity about how the work will be done and by whom. This clarity has not been obtained without considerable cost. Some clarity about who does what has come from the clients themselves who have specifically requested that one institution or another be involved with them. This has led to some increased dissatisfaction on the part of those Consortium members who were not selected and satisfaction for those who were. Some successful experiences in the field contributed to increased respect for one another, particularly among the Program Managers, and to a temporary and fragile increase in trust. Little progress has been made toward resolving the difference between their initial expectations and the realities in relation to the Consortium. What appears to have happened is that individuals became so frustrated with trying to work it out, all the while heavily invested in having their viewpoint become the accepted one, that other individuals backed off from the conflict and tried to get their viewpoint across in some other way or at a later time. Trust issues have continued to intensify. Although FIU has ended up with the greatest lack of trust and feelings of frustration, SUNY/A and the CFD have also experienced the same feelings. FIU has had a hard time maintaining a sense of self-esteem in relation to group membership. They appear to have experienced the need to "fight" to maintain their place. Thus, it is clear that unresolved issues from previous stages continue to interfere with the group's development.

It would be anticipated that at this stage the Consortium would have developed its own identity — that the group would be cohesive and trusting of one another and would operate harmoniously. This does not appear to be the case. What appears to have happened is that there is a continually

shifting set of temporary alliances between two members of the Consortium usually in opposition to the third. SUNY/A and the CFD have in general, worked out their relationship in this project and form a cohesive sub-group most of the time. FIU and SUNY/A have formed temporary alliances at times to confront the CFD, however, FIU is most often the outsider.

While Consortium members are aware of the contentious operational environment within the Consortium, they do not believe that it has impacted their work. Indeed, they believe that they have done a superior job of delivering their contractual responsibilities. They are also aware that some level of internal conflict is both inevitable and useful to the functioning of the Consortium. The issue in this regard is for the Consortium to develop a mechanism for managing conflict so that it does not unnecessarily delay the timely implementation of their work and interfere with the climate and functioning of the Consortium.

Stage 4: Production

The time it takes to arrive at this stage depends on the successful resolution of dissatisfaction, on the complexity of the task and its definition, the ease of acquiring skills and the discrepancy between original expectations and later realities. Although this is labeled the production stage, it does not mean there is no work on the task going on at other times. Some work is being accomplished from the beginning but at a lower level of effectiveness and with less satisfaction than is characteristic of this stage. Group members

- *have positive feelings of eagerness to be part of the team*
- *feel confident about the outcomes*
- *work well together and agree on the nature of their relationships*
- *work autonomously and are not dependent on a designated leader*
- *recognize, support and challenge each other's competence and accomplishments*
- *communicate freely and openly without fear of rejection or conflict*
- *focus their energy on task accomplishments rather than on dissatisfaction or resistance*
- *feel positive about being a member of the group because of high task accomplishment*
- *relate to one another and to the group in terms of complementary task functions as well as interpersonal support.*

The work of the group

- *is enhanced by pride in a job well done as well as team cohesion*
- *is easier, more efficient and satisfying with a continuing increase in skills, knowledge and confidence*

This stage, when achieved, is much more in line with the vision of organizational structure that the Consortium set out to create. The Consortium has moved into this stage only in brief and temporary surges, usually associated with the successful implementation of a program activity. They have not been able to move more confidently and completely into this stage because of unfinished business from the earlier stages and their development and organizational effectiveness have been impacted.

Stage 5: Termination

In on-going working groups this stage is not reached unless there is some drastic reorganization. In ad hoc groups or temporary systems, such as the Consortium, it does occur and members need to be aware of the characteristics of this stage. Providing that the group has progressed through all of the stages of development group members

- *begin to be concerned about impending dissolution*
- *often experience a sense of loss or sadness about ending the task or separation from members and the leader*
- *sometimes deny or obscure feelings by joking, missing a meeting or expressing dissatisfaction*
- *often have strong positive feelings about accomplishment*

The group's work on their task generally decreases but in some cases there may be increased work activity to meet deadlines or overcome loss. If this stage does occur it may last only a small part of the last meeting or occupy a significant portion of the last several sessions depending on the length of the experience, the personal meaningfulness of the task and the closeness of interpersonal ties.

While the CLD has not developmentally reached this stage, chronologically, it soon will. If they cannot successfully work through their remaining issues and progress through stages 3 and 4, they run the risk of ending this work with feelings of dissatisfaction and frustration.

C. Conclusions

1. The members of the CLD have not created a coherent organizational identity as a Consortium. Lack of trust, competitiveness and the absence of clear organization policies have contributed to this. Each individual institution appears to be more invested in its own interests than in those of the Consortium. As a group the Consortium has not succeeded in resolving the issues of Stage 3, Dissatisfaction, thus, the quality of their interpersonal relationships is not good in that positive feelings toward all members of the group are not present, and they have fallen into norms and remained stuck in processes that have not been productive to the growth of the organization.
2. Conceptually and practically, their vision of a "flat" organizational structure model (which, operationally, looks like Stage 4, Production) could work efficiently. It would demand that their differences in philosophical approach and definition of equal participation be resolved and appropriate policy decisions made. It would demand that the principals in the Consortium maintain a close, consultative relationship with simultaneous participation in the decision making process, whether face-to-face during quarterly meetings or by telephone conferences when needed. It would demand that the lines of authority and responsibility be agreed upon and abided by. It would demand that a mechanism for resolving conflict that is non-punitive be developed and used. It would demand a commitment to the CLD that puts the goals of the Consortium before individual institutions or at the very least does not promote the welfare and interests of the individuals or their respective institutions in ways that jeopardize the work of the Consortium.

4. **The chaotic internal climate and developmental problems of the CLD do not appear to have interfered with the quality of program delivery. Their work has, in their estimation, been of high quality and delivered somewhat ahead of schedule, given the three year time frame of the project. There is anecdotal evidence, however, that their internal competitiveness has complicated and delayed the implementation of "buy-ins" and that the lack of clarity about who is in charge in the field and/or disagreements as to strategy which have not been resolved before a program component is implemented have created a negative image of the Consortium.**
5. **The CLD, at this point in its life cycle, can still complete both its contractual responsibilities and create a Consortium that is efficient and healthy. This will require a considerable amount of time and effort on the part of all three principals and a willingness to devote the necessary time, attention and good faith effort required to build/repair the Consortium. Their contractual responsibilities can probably be fulfilled without repairing the Consortium itself. The cost if this is done will be that the principals will leave the experience with negative feelings about one another and the project and about A.I.D./W. The future of similar efforts, involving any of the current participants would be in jeopardy, as would any future efforts on their part or A.I.D./W's to comprise another Consortium.**

IV. Financial Management

A. Overview of Consortium Financial Management History

The Consortium for Legislative Development did not confront major financial management issues in its proposal to A.I.D., in its agreement with A.I.D. and in its members' relations to one another. A large sum of money was to be expended over a three-year period for a variety of project components by an organization without a strong central executive function yet the budgeting and monitoring procedures which might have substantially reduced operating problems were either never or only partially established.

Financial management, the need for which was recognized by A.I.D. and the CLD, was provided for in the Cooperative Agreement dated September 7, 1990 effective August 1, 1990. Two independent accounting firms were to be engaged to provide accounting and reporting services as well as compliance audits in accordance with A.I.D. program grant audit guidelines and Government Auditing Standards. The need for these services was somewhat out of the ordinary but they may have been reasonable given the fiscal management inexperience of the Consortium and the variations between the accounting systems of the Consortium members. The reporting called for was primarily to meet grant requirements rather than for management purposes. The financial administration described in the Consortium's proposal did not expand significantly on the services to be provided by the accounting firms.

The budget for the project was presented in considerable detail in the Consortium's proposal. It was broken down by functions (project components) as well as by categories such as salaries, airfare and travel, etc. It was not broken down by years showing when these expenditures might be expected to be made nor did it show what percentages of these expenses would be made by each Consortium member. These aspects were, however, not ignored in the proposal. For example, the level of effort of each institution in each of the major project components (needs assessment, regional training etc.) was presented in graphic form. In addition, there was an illustrative program implementation plan presented for the first year (Exhibits I-IV). It might be noted as well, that the Consortium's Progress Reports regularly showed a bar graph chart of the progress achieved in outputs stipulated in the Life-of-Project outputs (Exhibit V). Finally, the estimated costs (budget) of the FIU and SUNY/A portions of the CLD project were contained in the agreements signed with the CFD (Exhibit VI). The costs were for a three-year period and were not related directly to the outputs called for in the agreements.

Management responsibilities were touched upon in the CFD/A.I.D. agreement as well as in the sub-agreements of the universities with CFD. While A.I.D. looked to the CFD as the lead institution of the Consortium, the CFD planned, as previously described, to operate on a co-equal basis with its two partners, depending on quarterly meetings of the principals and daily contact between operating personnel to resolve problems. Since most of the budgeting was on a line item basis for the three-year period, there were, in fact, no financial constraints upon the members to relate their project outputs to financial forecasts on shorter time periods. In other words, distortions in the budget by overspending did not send up storm signals until late in the Consortium's life.

Concluding this overview of the foundation of the financial management of the Consortium, it can be seen that the need for such management existed and was recognized by the Consortium in its proposal. The record will show, however, that the final steps were never taken to relate outputs under the project to the expenditure of time and money within clearly defined time periods. As a

result, responsibility for performance could not be measured either by A.I.D. or the Consortium members. Only when A.I.D. noticed in May, 1992 the disparity in rates of expenditures against the three-year budget did the issue of financial management become acute.

B. Allocation of Funds

Before investigating the budgeting process, the method used for the allocation of funds under the grant should be reviewed.

As contrasted with consortia engaged in construction or multi-disciplinary ventures, the members of the CLD had, as previously described, considerable overlap in the talents that each member brought to the tasks of the Consortium. The three project directors, the three program managers and the project managers were to participate equally in the four major substantive components (i.e., needs assessment, seminars, technical assistance and training and ATELCA) according to the Consortium proposal. The salaries and fringe benefits of this restricted group represented about 72 per cent of all the salaries and fringe benefits of these components. It is probable that some of the remaining 28 per cent could have come from each of the participants, although not in equal measure. This overlap does not diminish in the slightest the reasons for the formation of the Consortium and the importance of their respective experience in the field of democratic institution building. The overlap is highlighted here because of the special problems that a consortium composed of equals causes for the administration and direction of the consortium's affairs.

A definitive picture cannot now be drawn of the procedure followed for the initial allocation of the Consortium funds. The participants in the process (at least those interviewed) do not clearly recall what occurred but the general impression is that there was a more or less equal sharing after due allowance had been made for the administrative costs of the CFD, equipment costs and for the post-graduate tuition program of the CFD. The result was \$800,000 for FIU, \$912,000 for SUNY/A and \$1,288,000 for the CFD. These first two figures were used in the sub-agreements and the figure for the CFD was derived.

Funds were drawn down at the following rate: \$773,000 for services performed through July 31, 1991 and \$1,227,000 in the second year ending July 31, 1992.

The sub-agreements signed by the CFD with SUNY/A and FIU assured the recipients that up to the specified amounts would be available to them in consideration of their satisfactory performance of the tasks outlined in the agreements. Under the circumstances, the recipients tended to regard these allocations as irrevocable as long as work called for by the Regional Agreement remained to be done.

What was not taken into account adequately by the Consortium members was the probability that a course of action established at the outset of a three-year project would not stand up in practice. The probability was that there would have to be continuous modifications in the original program due to changing conditions in the area, new demands not previously foreseen and varying experiences with the ability of the members to carry out their tasks.

While work plans for succeeding time periods were prepared, the changes were not costed and the budget was not altered accordingly. The original budget based on the original allocation of funds among the Consortium partners remained the financial guide against which performance of the Consortium's tasks were measured.

C. Budget Process

Having made the allocation of the grant funds from the Regional Agreement, the overall budget became the sum total of the amounts allotted to each partner. The budgets devised from these allocations are presented as line item budgets in the sub-agreements between the CFD on the one hand and FIU and SUNY/A on the other. The CFD budget was in effect, the residual of these two budgets subtracted from the total budget of \$3 million contained in the Regional Agreement or \$1,288 million. Each Consortium member prepared a line item budget for its allocation and the sum of these budgets became the three-year line item budget for the Consortium.

The difference between the proposed budget of the Consortium and the budget finally agreed upon are shown below:

Category	Total Estimated Cost	Total Proposed Cost
Salaries and Fringes	\$ 744,895	\$ 674,603
Consultants	193,800	171,800
Travel and Transportation	636,242	636,242
Tuition	206,840	206,840
Other Direct Costs	206,454	323,214
Indirect Costs	643,700	653,842
Equipment	368,069	500,000
TOTAL	\$ 3,000,000	\$ 3,166,541

The largest cuts in the proposed budget took place in Other Direct Costs and in Equipment. A substantial increase was made in Salaries and Consultants. Travel expenses — a very significant item — remain unchanged.

The Regional Agreement budget was broken down into line item budgets for each of the three institutions presumably reflecting the Consortium managers' best guess at the proper distribution of funds and responsibilities. As far as can be ascertained no further arrangements were made for a review of these budgets in light of developments in the first two years of the agreement. Each institution seemed to feel it had the responsibility for management of its allotted funds and for delivery of its promised output. Yet it is clear from the first and second year financial results that there were very substantial miscalculations in the budget or the partners were marching to the beat of different drummers.

An illustration of this point is contained in Table 1 on the following page.

Salaries	Budget	8/1/90-	% of	8/1/91-	% of	Totals as %
	'000	7/31/91	Budget	3/31/92	Budget	of Budget
CFD	161.2	114.1	70	83.7	51	121
FIU	360.6	43.8	12	102.4	28	40
SUNY/A	222.9	52.9	23	48.2	21	44
TOTAL	744.7	210.8	28	234.3	31	59
Travel						
CFD	344.1	190.8	55	115.4	33	88
FIU	122.1	15.0	12	31.9	26	42
SUNY/A	170.0	19.4	11	69.2	34	45
TOTAL	636.2	225.2	35	206.5	32	67

TABLE 1

While the overall figures for salaries and travel expenses showed plausible results in terms of the budget — 28 per cent of salaries in the first year and 31 per cent through nine months of the second year, the corresponding figures for travel were 35 per cent and 32 per cent respectively — the disparity in performance between the CFD and its partners was striking. Could it be that the CFD had virtually completed all its tasks (if it is assumed that salary and travel are a good measure of activity) and that FIU and SUNY/A were far behind? Or was there over-spending by the CFD and over-budgeting by FIU and SUNY/A? A line item budget for the Consortium conceals more than it reveals. At this point, a definitive conclusion about the Consortium budget and expenditures cannot be drawn.

There is evidence of miscalculation. The CFD provided a total three year budget of \$157,000 for salaries and but \$4,160 for fringe benefits — a mere 2.9 per cent of salaries. This was the smallest allotment for salaries and fringes of the three institutions yet actual expenditures by the CFD, for this account, were by far the highest of the three. This problem should have been picked up much sooner. A review of tasks should have been made. Was the CFD undertaking assignments which had not been budgeted? Were FIU and SUNY/A lagging in the delivery of their output? Financial evidence does not permit definitive answers to these questions. A thorough review of program activities would have to be undertaken to determine what caused the budget variations. The salary allowance for the CFD appears unreasonably low. Likewise, to allow only \$4,160 for fringe benefits — 2.9 per cent — is clearly an error in the budget. Does this mean that the allocations to FIU and SUNY/A were overly generous relative to their tasks? Possibly, although this cannot be proven by a review of the financial expenditures. To reach a supportable conclusion, it would be necessary to analyze in detail the costs associated with the tasks undertaken by the members of the Consortium (Exhibit VII).

But if the budget allocations were skewed from the start, they should have been revisited early on in the process. Line item financial reports concealed the disparity between the budgetary results of FIU and SUNY/A on the one hand and those of the CFD on the other. Thus, A.I.D. was not alerted in a timely way and the Consortium members did not take note of what was happening. Budgeting in this project demanded that expenditures of grant funds be related to accomplishment of specific tasks over defined time periods. The line item financial reporting was not related

to work plans nor to the carrying out of specific tasks. Thus, there was no effective way for the CLD program managers or A.I.D. to monitor the financial progress of the project. What transpired might be compared to setting the course of a ship undertaking a lengthy ocean voyage and failing to take periodic bearings and making appropriate course corrections throughout the voyage. The Consortium project is close to completion but it is not yet clear what has to be done and what resources must be expended to bring it to a successful conclusion. When the remaining tasks are identified and costed and placed into their proper time frames, it will be possible to devise a functional budget that will correspond to the work plan and to the final project progress reports.

D. Relationship of the Regional Programs to "Buy-Ins"

Financially, it is difficult and, thus far, impossible, to define the financial impact of the "buy-in" programs upon the Regional Agreement operating results. Thus, it cannot be determined whether there have been significant charges made to the Regional Agreement that should have been attributed to the "buy-ins." Some, but not significant, travel charges have been incorrectly attributed to the Regional Agreement and according to program managers, such charges have now been correctly booked. There is, however, the preparatory work done with core funds to create the "buy-ins." Since there was no "buy-in" agreement when these expenditures were made there was no way they could be so charged. The CFD managers point out that administrative support continues to be provided to the "buy-ins" after their establishment. These expenses are not identified separately and they have not been budgeted but simply charged to the appropriate line item in the budget. There is, however, a specific case in the Panama "buy-in" where an employee assigned to that task is budgeted to core funds. According to the CFD, where time for personnel can legitimately be charged to a "buy-in" this has been done. However, the CFD figures on the Panama "buy-in" through July 31, 1992 show \$ 3,200 for salaries and fringes and \$ 28,700 for travel. This would tend to indicate that some salary charges in this "buy-in" may have been carried by the core funds. The activities of the Consortium members in connection with the promotion or servicing of "buy-ins" and bilateral agreements were not specified in the project components or the scope of work and therefore the size and importance of these activities cannot now be calculated.

E. Financial Reports

While there have been some delays in financial reporting, these delays have not been serious. Had there been no delays, the problems raised in this report would still exist. The difficulty with financial reporting as now established in the Consortium is that it does not forecast the project's course with any precision nor track its results adequately. Thus, the program managers have not had and do not now have the information necessary to properly relate the project's output to the expenditure of funds. The chief financial officer of the CFD presently has good control of the accounting system and should be able to make necessary changes to improve budgeting and reporting. Raffa and Associates made a solid contribution to the establishment of the CFD's accounting system.

F. Conclusions

- 1. The allocation of core funds among the participants in the Consortium was probably faulty and the original allocations should have been reviewed at quarterly intervals. Any allocation over a three-year period should have been subject to periodic review and correction.**
- 2. The use of line item budgeting made it difficult to relate expenditures to the project performance. The work plans and budgeting should have identified component tasks to be undertaken, should have costed these tasks and should have placed them in their proper time frames. In this way, the budget would have been a realistic guide against which expenditure and performance could be measured. Significant over- or under-spending in quarterly time frames would have called for explanation in the corresponding quarterly reports. The financial reporting system used by the Consortium did not send out such signals. Line item reporting, in addition to not being related to project outputs, also tends to conceal results by lumping one member's over-budget spending to another's under-budget spending.**
- 3. Quarterly progress reports on the project are notable for the absence of any financial reporting. Such reports should inform the reader that planned progress is being made and appropriate expenditures are occurring. Short falls in output or overruns in expenses should be highlighted with explanations as to why they occurred and how they will be corrected.**
- 4. It is by no means certain at this point that the funds allocated to each member institution are commensurate with the activities to be carried out by that institution. One, in fact, would have to conclude that if remaining funds are appropriately allocated, it would be a coincidence of monumental size. Therefore, a review of allocations among member institutions is required.**
- 5. Budgeted travel costs (airfare, per diem and ground transportation) represent 24 per cent of total project costs excluding equipment purchase. Actual travel costs will probably remain within budget over the three-year period of the agreement. On this basis, it cannot be concluded that unnecessary travel is taking place. However, there is anecdotal evidence that larger delegations than necessary have been sent to meetings, conferences and seminars and that some such gatherings were for such brief periods that delegate attendance was of limited value.**

V. Recommendations

A. Administrative and Program Management

1. At this point in the contract with the CLD, little appears to be gained by dissolving the organization or eliminating one or more members. However, it is important for A.I.D./W to offer to provide the support the CLD needs to get its house in order. If the Consortium members are sufficiently interested in and committed to resolving their internal issues (an assumption that would need to be tested), the Project Directors and the Program Managers, including the CFD's Chief Operating Officer, should arrange to hold a session managed by a professional facilitator of sufficient length (minimum time of two days), to resolve the issues noted in this report. While the session would focus on making necessary changes in the organizational structure, it would also need to be understood as a time when the air is cleared and trust re-established among participants requiring the willingness to be open and direct with one another. The organizational outcomes of such a session would be clarity about the concept of equal participation, roles and responsibilities, lines of authority, conflict management, tasks remaining, communications procedures and reporting schedules. At the end of the session, the resulting agreements should be documented and submitted to A.I.D./W for comment and approval.
2. Should the Consortium members be unwilling to engage in such a retreat, A.I.D./W should request them to put in writing their procedures for managing conflict successfully, communication protocols for internal and external communications, policy statements concerning roles, responsibilities and lines of authority. The submission should indicate that all members can live with these arrangements for the duration of the contract period.
3. A.I.D./W must not become overly involved in the day-to-day skirmishes of the Consortium. Calls to A.I.D./W in regard to Consortium affairs should come from the CFD only. The responsibility for seeing to it that this occurs is on both parties.

B. Financial Management

1. The Consortium should provide A.I.D. with a functional budget (outlining and costing project component activities) broken down into quarters for the remaining time of the Regional Agreement. The quarterly narrative reports called for by the agreement should relate activities to performance under these budgets. If a line item budget is desired to provide continuity with the past reports or university reporting requirements, then this can also be provided.
2. Approval of seminars and conferences involving the movement and lodging of substantial numbers of participants should be given only after A.I.D./W is satisfied with the relevance and value of such meetings to project objectives as well as with the composition of the participants.
3. The basis of the review of allocations among member institutions should be on meeting the remaining priority requirements of the agreement. In some cases, there will not be a demand for some of the anticipated outputs; in other cases

the relative importance may have increased or diminished. At the same time, some new and previously unforeseen activities may be worth supporting if that can be done within budgetary limits. The Consortium should prepare a closing budget, resolving all conflicts among themselves without recourse to A.I.D. Options to the budget presented should be encouraged allowing A.I.D. to choose among alternatives.

4. The budgeting process for "buy-ins" should be clarified and the issues of what costs are to be charged to what budget made clear.
5. The CFD, as the lead institution, should at a minimum, if it is not possible to come to agreement and heal the Consortium, strengthen its control over its member institutions to the extent of insuring that expenses undertaken by them are within agreed budgetary and program limits. It will be important to limit contact between A.I.D./W and the university members on budgetary items so as to avoid compounding the inevitable conflicts among the Consortium institutions.

Footnotes:

¹ R. B. Lacoursiere: *The Life Cycle of Groups: Group Development Stage Theory*. New York, New York. Human Service Press, 1980.

VI. The Consortium for Legislative Development and CEAL

A.I.D. currently funds another grant located at SUNY with a similar focus to the CLD's. This grant, administered by the Research Foundation of SUNY, an organization created by the University as an administrative unit to manage grant and research funds, is implementing a project in Chile which has helped the Catholic University of Valparaiso to establish and develop its Centro de Estudios y Asistencia Legislativa (CEAL). The purpose of CEAL is to provide services to the Chilean legislature in research and policy analysis.

The situation surrounding the CLD and CEAL is a complicated one, involving not only a major organizational struggle between SUNY/A and SUNY/Central but a complex network of interpersonal relationships, the resulting innuendoes, and competition.

Our interview with Mr. Cira left little doubt as to his position on CEAL and the CLD. He views the CEAL project as a sub-regional one that could easily become overextended should it be pressured to change to a more regional focus. He does not wish to see CEAL folded into the CLD.

A substantial amount of time during our interview with Dr. Baaklini and Dr. Dawson at SUNY/A was devoted to this topic. To say that there is a confrontation going on between SUNY/A and SUNY/Central is to understate the situation. Dr. Baaklini is currently engaged in a struggle to get CEAL moved from the Research Foundation to his Center for Legislative Development at SUNY/A. In his view, it should never have resided with SUNY/Central. Evidently, Dr. Baaklini was responsible for the original grant in Chile and did the original needs assessment, conducted seminars for the Catholic University, recruited students for SUNY/A's masters degree program and developed, at Chile's request, a strategic plan for what would later become CEAL. During the time when an extension request for this project had been made to A.I.D., SUNY had established the Research Foundation which would now have to sign off on all SUNY contracts. In the process of getting the sign-offs Dr. Baaklini's name as principal investigator was replaced, without Dr. Baaklini's knowledge, by an individual more closely aligned with the Research Foundation. Since that time Dr. Baaklini has been working to get this matter resolved within the University. There are evidently political struggles between SUNY/Central and the campus (where the Center for Legislative Development is housed) and intense competition for resources. As a matter of fact, Dr. Baaklini stated that he has had less problems overall with the Consortium than he has had with the Research Foundation. Dr. Baaklini and Dr. Dawson both stated that the perception in the field is that the CEAL project is Dr. Baaklini's. He still gets calls from his contacts there. Currently Dr. Baaklini is waiting for a decision from the President of the University so he can take whatever next steps are required.

Given the present situation it is clear that any efforts at coordination between the Research Foundation and SUNY/A as regards these two grants is highly unlikely. The degree to which SUNY/Central is able to draw on the resources of the Center for Legislative Development to work on the CEAL grant is also at the present time negligible and vice versa. What technical advice and assistance CEAL has received has come from the Congressional Research Service through SUNY/Central. Mr. Cira indicated that they had had little trouble getting appropriate technical support from Suny/Central, even though he sees their support as limited since there are few or no Spanish speakers available.

Clearly the two grants do serve similar purposes although on different scales. It is likely that they

could be of assistance to one another in Latin America and from A.I.D.'s perspective it would be more efficient and less expensive if the grant's were able to collaborate more effectively. At the present A.I.D. is paying separate overhead on each grant to SUNY, and combining them would not only decrease A.I.D.'s costs but increase the impact of both efforts.

However, until the intra-university struggle is resolved it appears that there is little that A.I.D. can do. It would be potentially destructive for A.I.D. to intervene in Dr. Baaklini's struggle with the University to regain control of the CEAL project save for supporting him personally. Should he succeed in getting the project back into the Center, then the Consortium would have more resources at its disposal and be able to expand its work. It is also true that Mr. Cira is not supportive of the project being folded into the Consortium, which he sees as an ineffective organization, while personally holding Dr. Baaklini in high regard. The Catholic University in Chile appears to have maintained its contact with and respect for Dr. Baaklini. If Dr. Baaklini is not successful in regaining control of CEAL, then A.I.D. will be faced with a new dilemma.

EXHIBITS

Illustrative Program Implementation Plan
YEAR 1
Consortium for Legislative Development

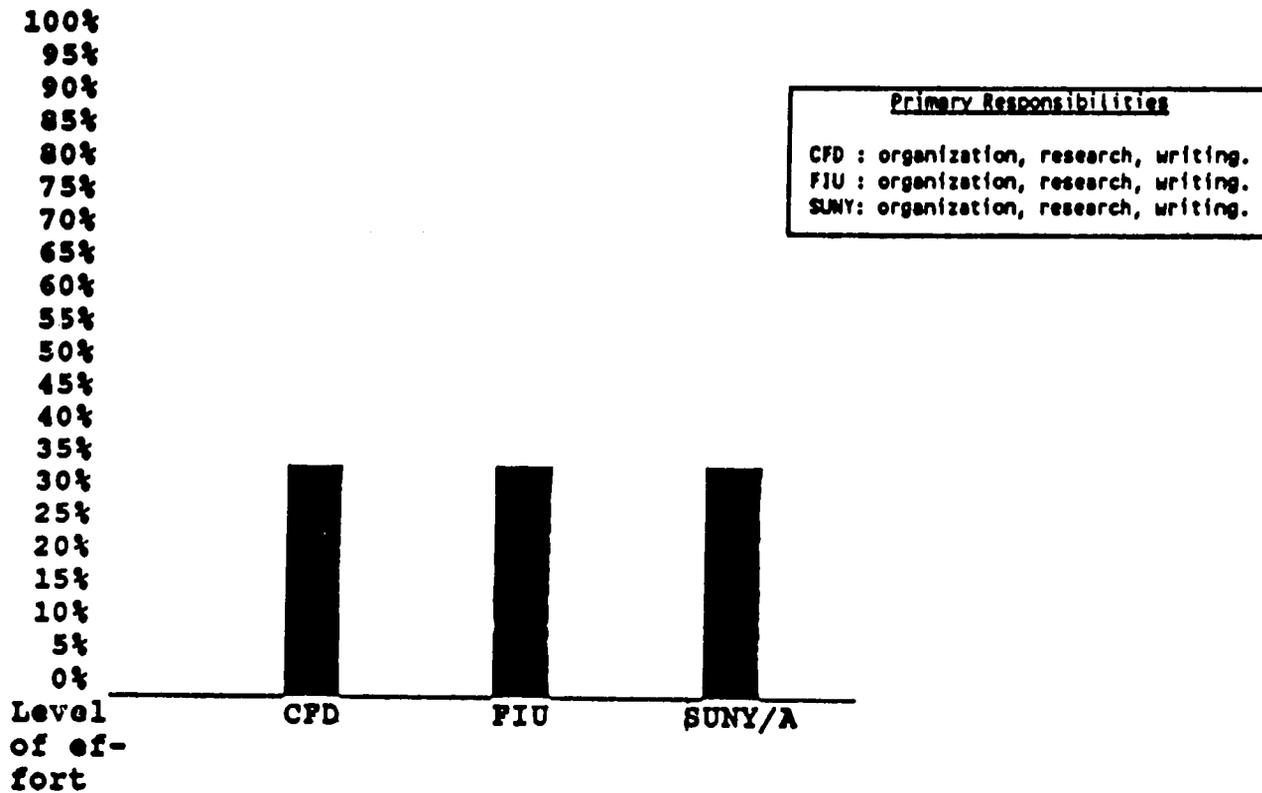
Implementation Activities	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<u>NEEDS ASSESSMENTS</u>				
Identify countries	████████			
Assemble Assessment teams	████████			
Field Teams in:				
Nicaragua	████████			
Panamá	████████			
Andean Region		████████		
Southern Cone			████████	
Caribbean				████████
Develop findings for:				
Nicaragua		████████		
Panamá		████████		
Andean Region			████████	
Southern Cone				████████
Caribbean				████████
In-country review of findings:				
Nicaragua		████████		
Panamá		████████		
Andean Region			████████	
Southern Cone				████████
Caribbean				████████

EXHIBIT I:

Source: Regional Legislative Development Project—June 20, 1990

ILLUSTRATIVE LEVEL OF EFFORT FOR EACH INSTITUTION BY PROGRAM

NEEDS ASSESSMENTS



REGIONAL TRAINING AND POLICY AWARENESS SEMINARS

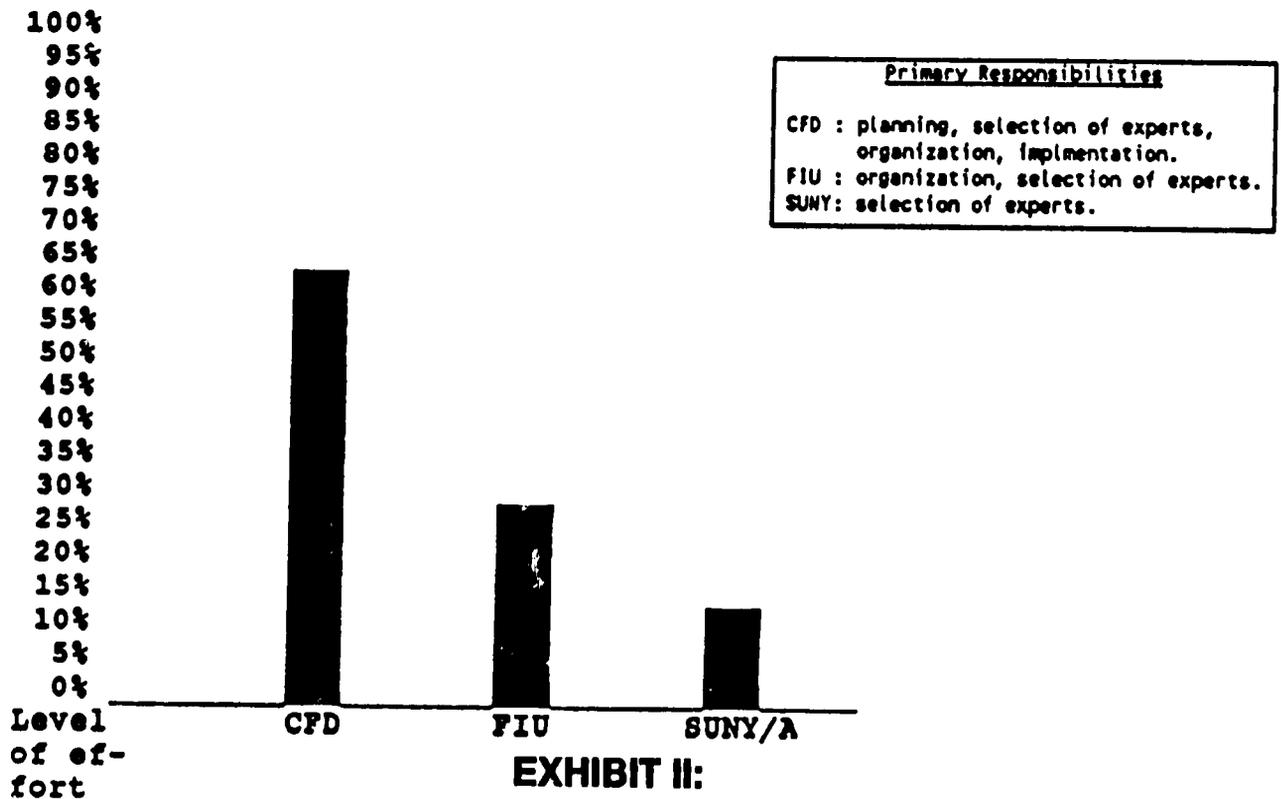
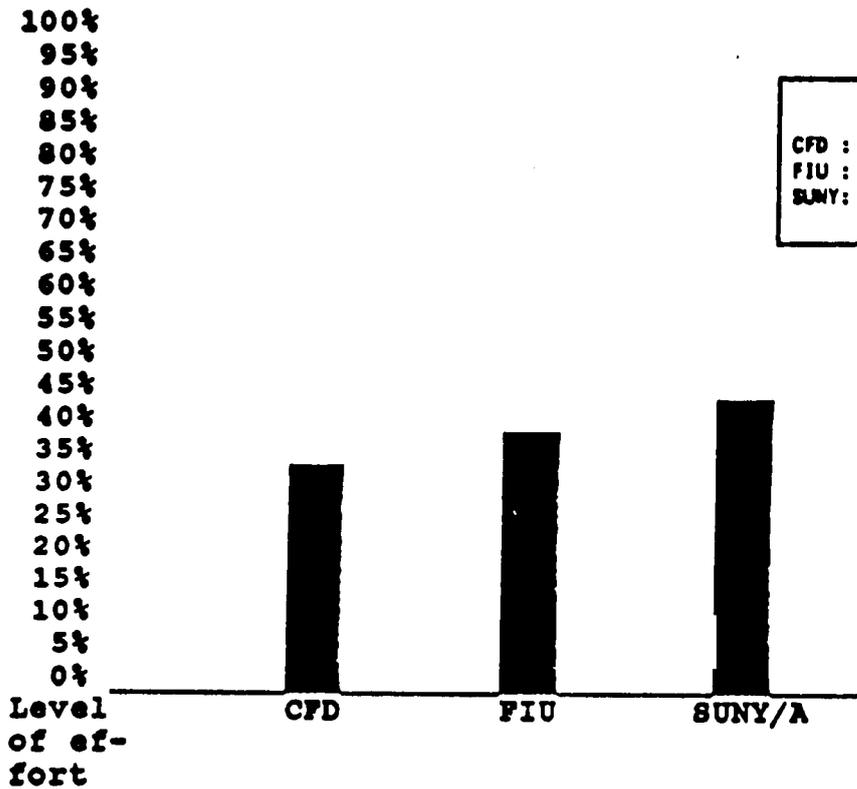


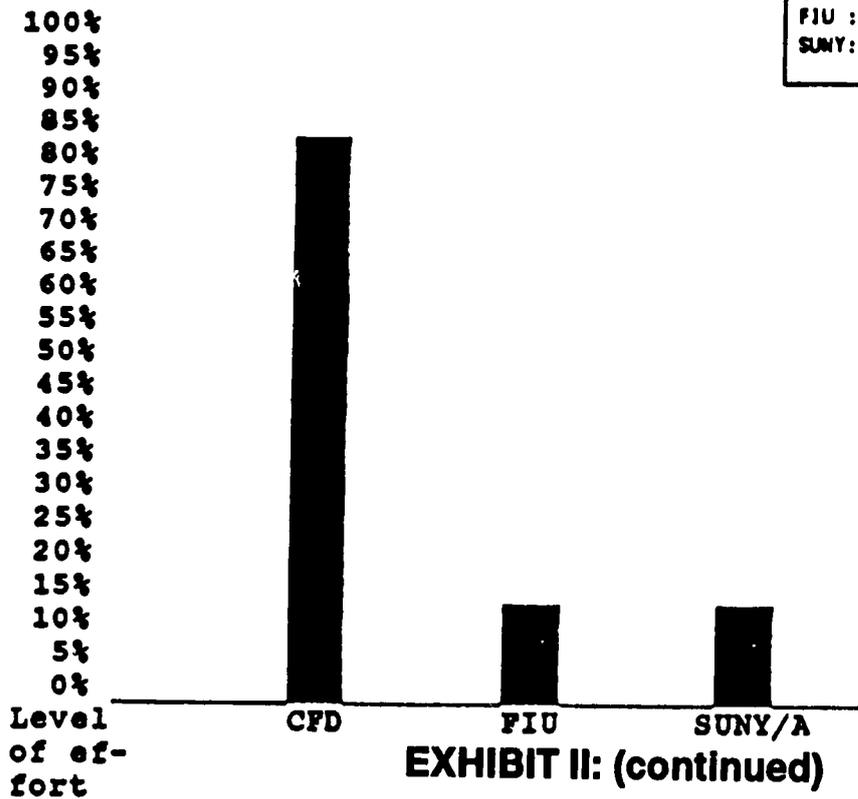
EXHIBIT II:

TECHNICAL ASSISTANCE



Primary Responsibilities
 CFD : selection of experts, organization.
 FIU : selection of experts, organization.
 SUNY: selection of experts, organization.

MIS/EQUIPMENT



Primary Responsibilities
 CFD : project design, implementation.
 FIU : project design.
 SUNY: project design.

EXHIBIT II: (continued)

GRADUATE DEGREE/INTERNSHIP PROGRAM

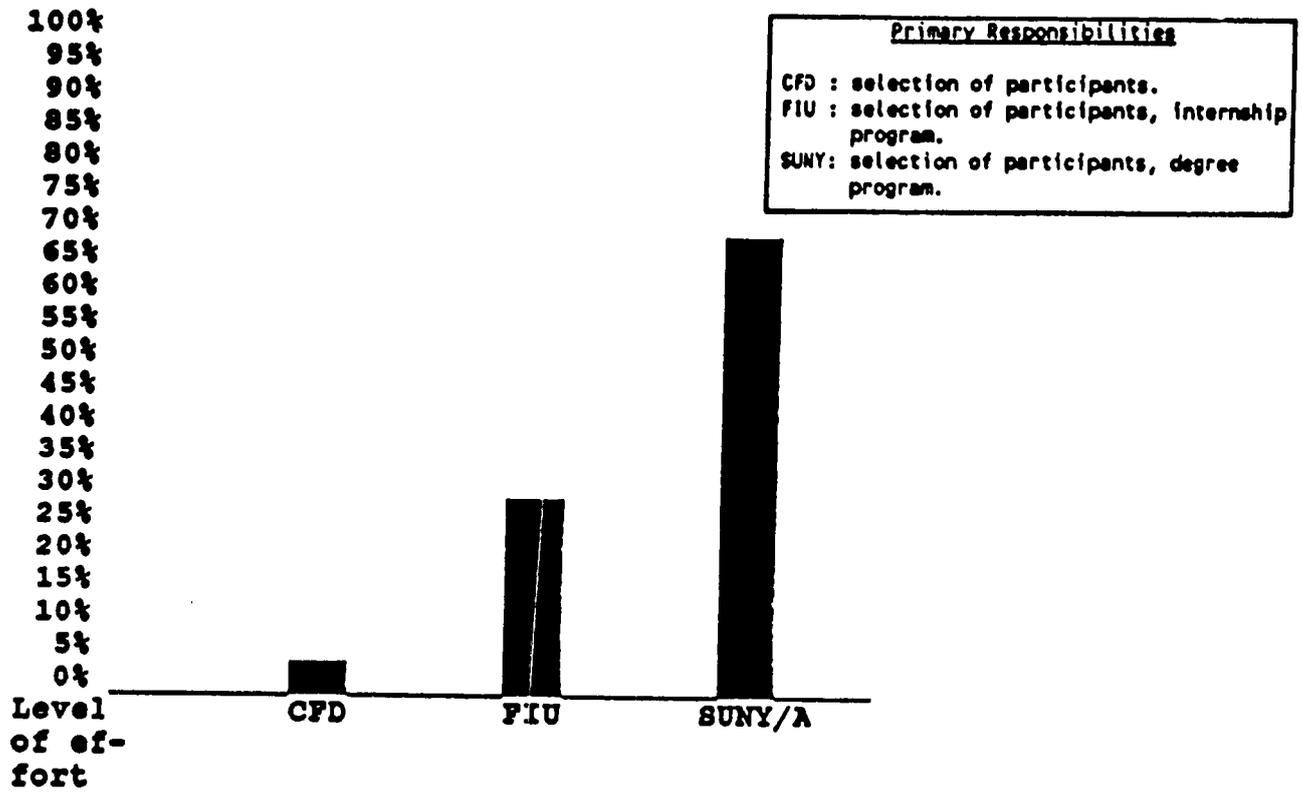


EXHIBIT II: (continued)

**REGIONAL LEGISLATIVE DEVELOPMENT
BUDGET BY PROJECT COMPONENT**

NEEDS ASSESSMENT:

3 PROJECT DIRECTORS @437 HOURS	16,116
3 PROJECT MANAGERS @ 860 HOURS	64,500
RESEARCH COORDINATOR @500 HOURS	22,500
SECRETARIES @ 200 HOURS	7,800
LEGISLATIVE EXPERT @ 346 HOURS	12,327
TOTAL SALARY	
FRINGE @ 27.23%	123,243
TOTAL SALARY AND FRINGE	33,559
	156,802
AIRFARES 1 TRIP PER COUNTRY 10 PERSONS	
PER DIEM 100 TRIPS 8 DAYS @ \$125	77,000
GROUND TRANSPORTATION	100,000
CONFERENCE EXPENSE	3,000
SUPPLIES	15,500
CONSULTANTS	1,500
OFFICE EXPENSE	10,000
	200
TOTAL DIRECT COST	364,002
INDIRECT COST @ 29.57%	107,635
(FIU OVERHEAD OF 55% ON SALARIED EMPLOYEES ONLY)	
(CFD OVERHEAD @ 38% ON ALL DIRECT COST)	
(SUNY/A OVERHEAD @ 31.50% ON CAMPUS-52.1% OFF CAMPUS MTDC)	
PROJECT COST	471,637

EXHIBIT III:

REGIONAL SEMINARS:

SALARIES:

3 PROJECT DIRECTORS @ 1557 HOURS	57,422
3 PROJECT MANAGERS @ 860 HOURS	21,500
RESEARCH COORDINATORS @300 HOURS	4,500
ASST. RESEARCH COOR @ 346 HOURS	4,152
SECRETARIES	2,249
LEGISLATIVE EXPERT @ 346	12,327
TOTAL SALARY	102,150
FRINGE @ 27.23	27,815
TOTAL SALARY AND FRINGE	129,965

AIRFARE 150 TRIPS @ APPROX \$600	90,000
PER DIEM 150 TRIPS @ 8 DAYS @ \$125	150,000
GROUND TRANSPORTATION	5,000
CONFERENCE EXPENSE	26,230
SUPPLIES (TELEPHONE, SUPPLIES, POSTAGE)	7,000
CONSULTANT/ TECH EXPERTS	100,000
OFFICE EXPENSE	31,964
TOTAL DIRECT COST	540,159
INDIRECT COST @ 29.57%	159,725

(FIU OVERHEAD OF 55% ON
SALARIED EMPLOYEES ONLY)
(CFD OVERHEAD @ 38% ON ALL DIRECT COST)
(SUNY/A OVERHEAD @ 31.50% ON CAMPUS-
52.1% OFF CAMPUS MTDC)

PROJECT COST	699,884
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EXHIBIT III: (continued)

TECHNICAL ASSISTANCE:

SALARIES:

3 PROJECT DIRECTORS @ 1038 HOURS	38,281
3 PROJECT MANAGERS @ 1557 HOURS	38,925
ASST RESEARCH COOR @ 346 HOURS	4,152
SECRETARIES @ 173 HOURS	2,249
LEGISLATIVE EXPERTS @ 346 HOURS	12,327
TOTAL SALARY	95,934
FRINGE @ 27.23	26,123
TOTAL SALARY AND FRINGE	122,057

EQUIPMENT RENTAL	5,000
AIRFARE 65 TRIPS @ \$700	45,500
PER DIEM 65 TRIPS @ 8 DAYS @ \$125	65,000
GROUND TRANS	7,400
CONFERENCE EXPENSE	30,300
SUPPLIES	2,860
CONSULTANT/TECHNICAL EXPERTS- INCLUDES TRAVEL AND PER DIEM)	50,000
OFFICE EXPENSE (TEL, POSTAGE, DUPLI, ETC)	11,800
TOTAL DIRECT COST	339,917
INDIRECT COST @ 29.57%	100,513

(FIU OVERHEAD OF 55% ON
SALARIED EMPLOYEES ONLY)
(CFD OVERHEAD @ 38% ON ALL DIRECT COST)
(SUNY/A OVERHEAD @ 31.50% ON CAMPUS-
52.1% OFF CAMPUS MTDC)

PROJECT COST	440,430
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EXHIBIT III: (continued)

ASOCIACION DE TECNICOS LEGISLATIVOS CENTROAMERICANOS (ATELCA):

2 PROJECT DIRECTORS @ 100 HOURS	7,376
2 PROJECT MANAGERS @ 100 HOURS	2,500
PROJECT COORDINATOR @ 250 HOURS	3,750
LEGISLATIVE EXPERT @ 152 HOURS	5,400
SECRETARY @ 160 HOURS	2,000
TOTAL SALARY	21,026
FRINGE @ 27.23%	5,725
TOTAL SALARY AND FRINGE	26,751
AIRFARE	
6 STAFF/US CLERKS US/SAN SAL/US @ \$757	4,542
6 STAFF/US CLERKS US/ PANAMA/US @ \$930	5,580
6 STAFF/US CLERKS US/HONDURAS/US @ \$650	3,900
PRES. OF ATELCA TO COUNCIL OF EUROPE	2,400
8 MEM ATELCA EXEC COMM TO MEXICO @ 650	5,200
8 PRES OF ATELCA US CLERKS MEETING	6,000
5 PANAMANIAN/SAN SAL/HON	3,000
5 COSTA RICANS/SAN SAL/PAN/HON	4,500
5 NICARAGUANS/SAN SAL/PAN/HON	5,000
5 HONDURAS/SAN SAL/PAN	3,500
TOTAL AIRFARE	43,622
PER DIEM	
55 TRIPS @ APPROX \$200 @ 4 NIGHTS	44,000
INTERPRETER/EQUIPMENT	20,000
TRANSCRIPTS	3,000
OFFICE SUPPLIES/PRINTING/TELEPHONE	5,000
CONFERENCE EXP	17000
TOTAL DIRECT COST	159,373
INDIRECT COST @ 29.57	47,126
PROJECT COST	206,500

EXHIBIT III: (continued)

DEGREE/INTERN PROGRAM:

AIRFARE 5 STUDENTS	5,720
HOUSING	3,200
SUPPLIES/BOOKS	5,040
ACADEMIC/TUITION	206,840
TOTAL DIRECT COST	220,800
MTDC @ 52.1% (SUNY/A)	115,037
PROJECT COST	335,837

EXHIBIT III: (continued)

MANAGEMENT INFORMATION SYSTEM
EQUIPMENT:

SALARIES:

1 PROJECT DIRECTOR @ 173	6,380
1 PROJECT MANAGER @ 173	4,325
RESEARCH COORDINATOR @ 80 HOURS	1,200
ASST. RESEARCH @ 173 HOURS	2,076
SECRETARIES @ 80 HOURS	1,040
LEGISLATIVE EXPERTS @ 80 HOURS	2,850
TOTAL SALARY	17,871
FRINGE @ 27.23	4,866
TOTAL SALARY AND FRINGE	22,737

SUPPLIES

CONSULTANT/TECH EXPERT	3,360
OFFICE EXPENSE	11,800
MAINTENANCE AGREEMENT	3,700
TOTAL DIRECT COST	30,000
INDIRECT COST @ 38% (CFD)	71,597
EQUIPMENT	27,207
PROJECT COST	500,000
	598,804

EXHIBIT III: (continued)

ADMINISTRATION:

PROJECT COORDINATOR (2 YEARS)	60,000
SECRETARIES	25,000
FINANCE OFFICERS (SUNY, CFD, FIU)	60,000
BOOKKEEPER	25,000
TOTAL SALARIES	170,000
FRINGE @ 27.23%	46,291
TOTAL SALARY AND FRINGE	216,291
ADMINISTRATION/AUDIT	125,000
SUPPLIES	2,000
TEMP STAFF	2,000
OFFICE EXPENSE	1,800
TOTAL DIRECT COST	347,091
INDIRECT COST @ 29.57	102,635
PROJECT COST	449,726

EXHIBIT III: (continued)

Regional Legislative Development Project: Comprehensive Budget

FUNCTION	NEEDS ASMT	REGIONAL SEMINARS	TECH ASSTCE	AFRICA	DEGREEZ INTERN	MISZ EQUIP	ADMIN	TOTAL
1 PROJECT DIRECTORS @ 3,305 HOURS.....	16,116	57,422	38,281	7,376				
1 PROJECT MANAGERS @ 3,550 HOURS.....	64,500	21,500	38,925	2,500		6,380		125,575
PROJECT COORDINATOR (2 YEARS).....				3,750		4,325		131,750
RESEARCH COORDINATOR @ 880 HOURS.....	22,500	4,500					60,000	63,750
ASST RESEARCH COORDINATOR @ 865 HOURS.....						1,200		28,200
SECRETARIES PROGRAM & ADMIN.....	7,800	2,249	2,249	2,000		2,076		10,380
LEGISLATIVE EXPERTS @ 1,270 HOURS.....	12,327	12,327	12,327	5,400		1,040	25,000	40,338
FINANCE OFFICERS (CFD, SUNY/A FIU)...						2,850		45,231
BOOKKEEPER.....							60,000	60,000
							25,000	25,000
TOTAL SALARY.....	123,243	102,150	95,934	21,026				
FRINGE @ 27.23%...	33,559	27,815	26,123	5,725		17,871	170,000	530,224
TOTAL SAL & FRINGE..	156,802	129,965	122,057	26,751		4,866	46,291	144,379
						22,737	216,291	674,603
DIRECT COSTS								
AIRFARE.....	77,000	90,000	45,500	43,622	5,720			
PER DIEM.....	100,000	150,000	65,000	44,000				261,842
GROUND TRANSPORT...	3,000	5,000	7,400					359,000
CONFERENCE EXPENSE..	15,500	26,230	30,300	17,000				15,400
SUPPLIES (TELEPHONE, POSTAGE, ETC.).....	1,500	7,000	2,860	8,000				89,030
CONSULTANTS/ TECHNICAL EXPERTS...	10,000	100,000	50,000			3,360	2,000	24,720
OFFICE EXPENSE.....	200	31,964	11,800			11,800		171,800
MAINTENANCE AGREEMENT.....						3,700	1,800	49,464
INTERPRETATION.....				20,000		30,000		30,000
ADMIN/AUDIT.....								20,000
TEMP STAFF.....							125,000	125,000
ACADEMIC/TUITION.....							2,000	2,000
SUPPLIES/BOOKS.....					206,840			206,840
HOUSING.....					5,040			5,040
EQUIPMENT RENTAL.....			5,000		3,200			3,200
								5,000
TOTAL DIRECT COSTS..	364,002	540,159	339,917	159,373	220,800	71,597	347,091	2,042,939
IDC @ 29.5%.....	107,635	159,725	100,513	47,126	115,037	27,207	102,635	653,842
EQUIPMENT PURCHASE..						500,000		500,000
TOTAL COST.....	471,637	699,884	440,430	206,500	335,837	598,804	449,726	3,196,781
YEAR 1 SUBTOTAL.	400,891	314,947	132,129	123,900	83,959	538,924	227,619	1,845,600
YEAR 2 SUBTOTAL.	70,745	384,936	308,301	82,600	251,877	59,880	222,107	1,351,181
COUNTERPART CONTRIBUTIONS		238,026	267,053	43,541	95,549	58,055		702,224
OVERALL PROGRAM COST AID FUNDED PORTION								3,899,005
								3,196,781

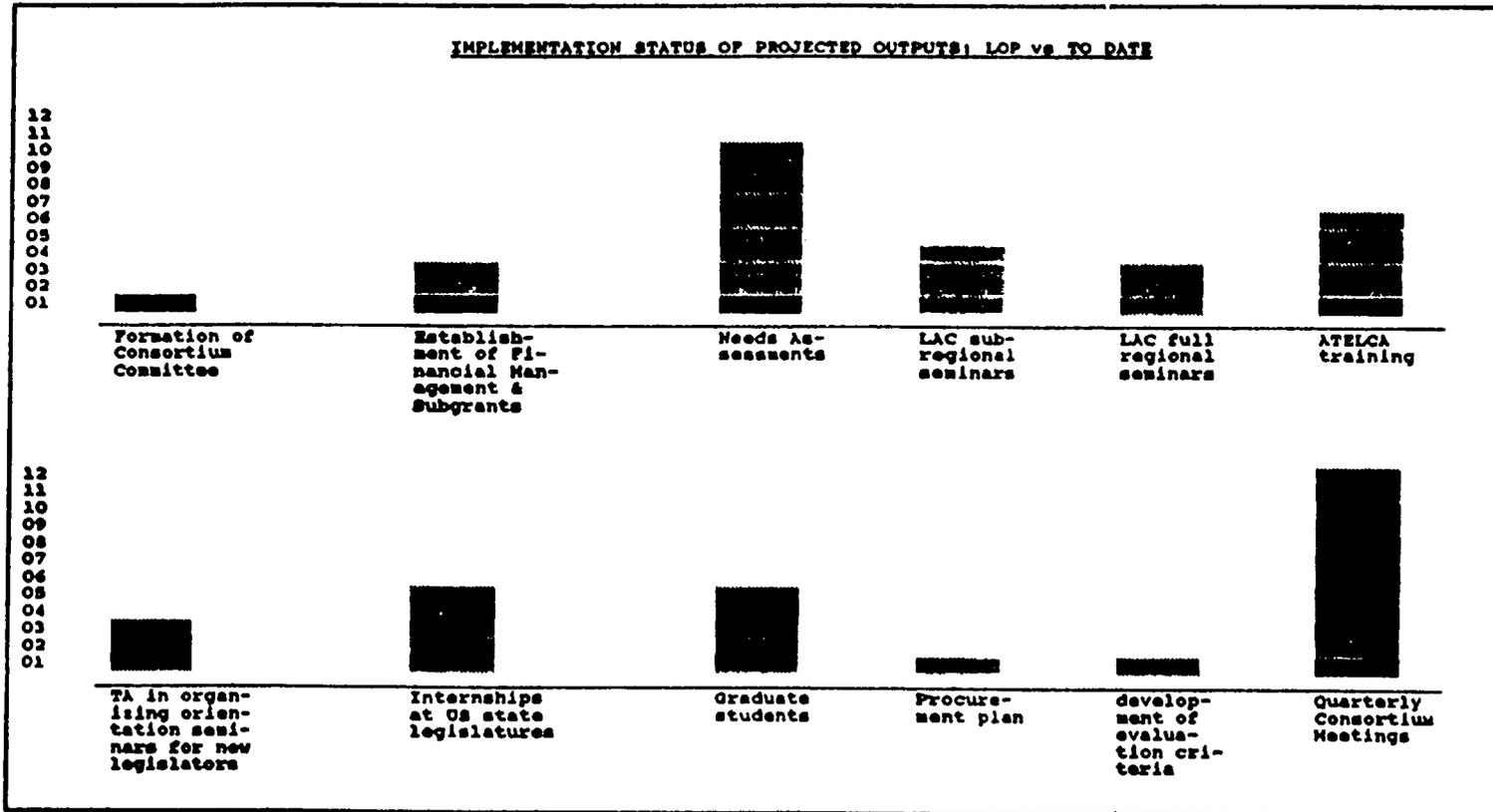
Source: Regional Legislative Development Project—June 20, 1990

EXHIBIT IV:

two issues discussed below. The process of developing subagreements with FIU and UA/SUNY was slower and more complex than originally estimated.

II. PROGRESS:

Below is a bar-graph chart that shows the progress achieved during the first quarter in implementing the cooperative agreement's scope of work. The black bars denote completed outputs and the gray bars denote the Life-of-Project outputs stipulated in the cooperative agreement.



Project Implementation Details:

During the first quarter of this project, several important outputs/activities were undertaken in compliance with the requirements of the cooperative agreement. Details of their implementation are developed below.

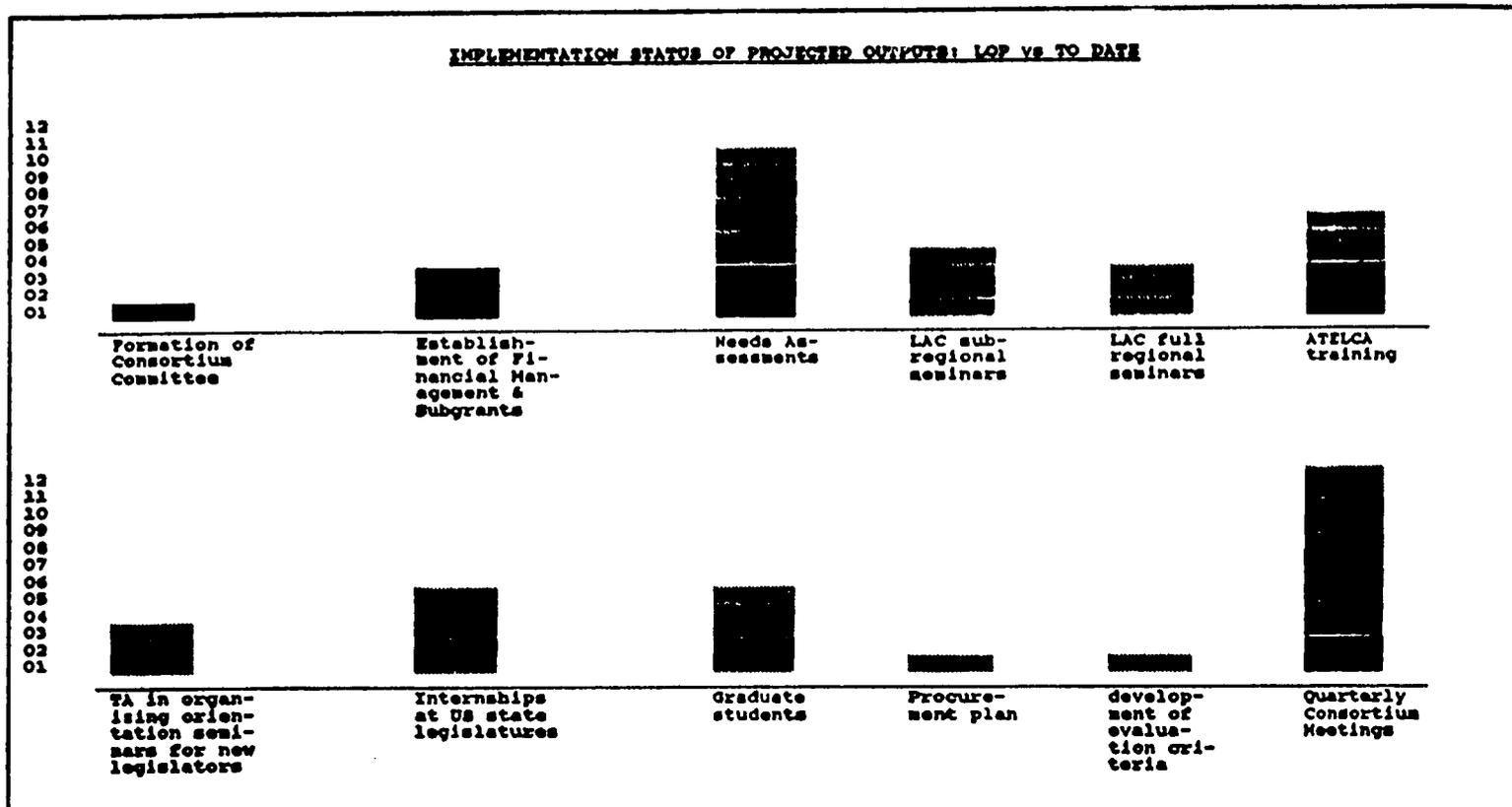
1. Establishment of the Consortium Committee

On August 8, 1990, the principal investigators and program managers from The Center for Democracy, Florida International University and the University at Albany, State University of New York (Center for Legislative Development) met in Washington, D.C.

**EXHIBITV:
Source: 1st Quarterly Progress Report**

II. PROGRESS:

Below is a bar-graph chart that shows the progress achieved during the second quarter of the legislative development project in implementing the cooperative agreement's scope of work. The black bars denote completed outputs and the gray bars denote the Life-of-Project outputs stipulated in the cooperative agreement.



Project Implementation Details:

During the second quarter of the project, several important outputs/activities were undertaken in compliance with the requirements of the cooperative agreement. Details of their implementation are developed below.

1. Completion of the Subagreements with UA/SUNY and FIU

After lengthy negotiations involving The Center for Democracy's president, controller and counsel and the respective authorities at both the University at Albany, State University of New York and Florida International University, the Center reached closure on the subagreements stipulated as outputs in the cooperative agreement's scope of work. This achievement greatly facilitated the Consortium's work. Copies of the completed agreements are appended to this report as Attachment A.

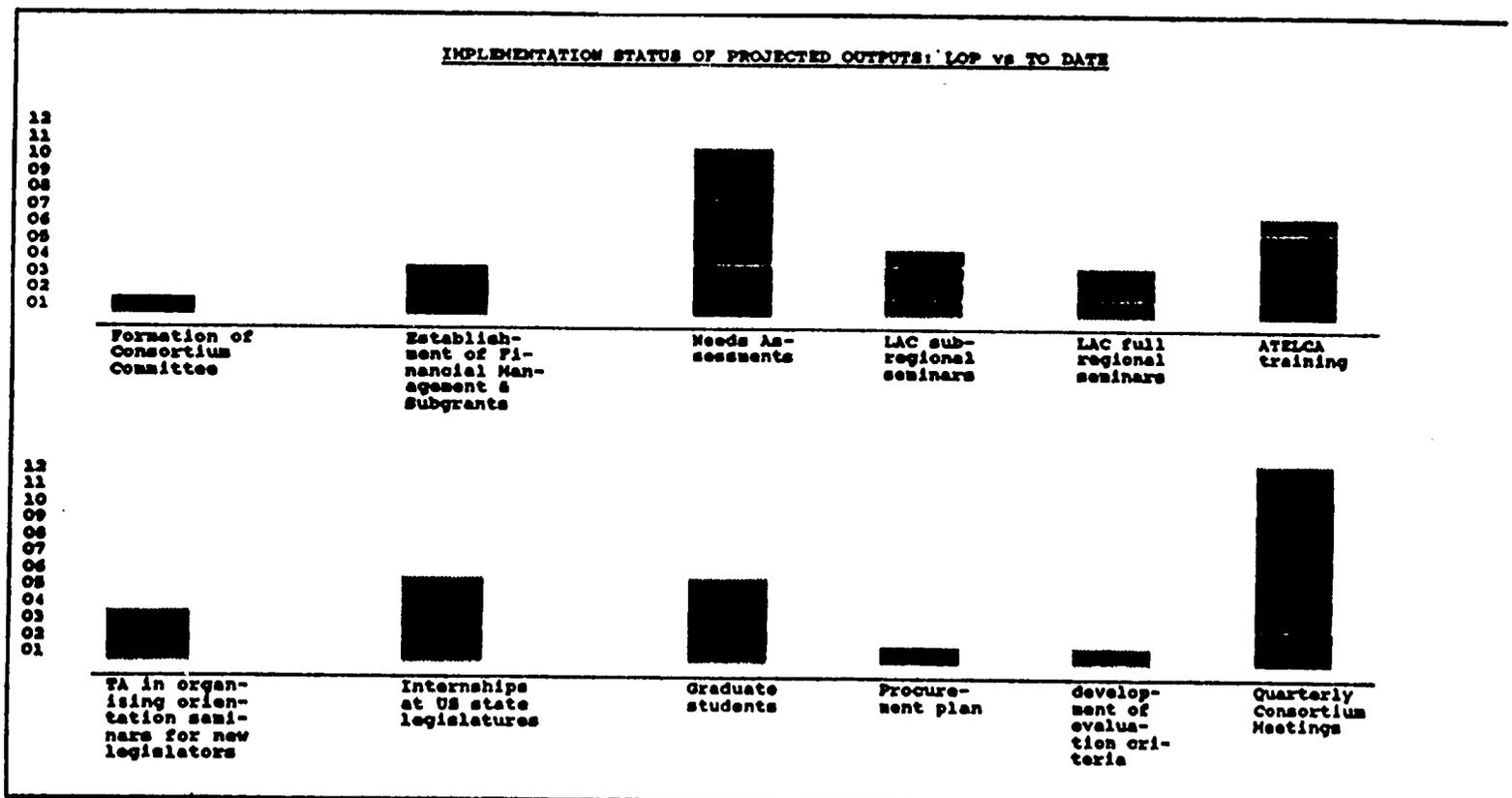
EXHIBITV: (continued)
Source: 2nd Quarterly Progress Report

of the project. These included ATELCA permanent committee meetings in Panama City on March 21-24, 1991 and in San Salvador, El Salvador on April 4-7, 1991 and an ATELCA Executive Committee meeting and study visit in Washington, D.C. on April 10-14, 1991 which was implemented in response to the invitation extended by the Secretary of the U.S. Senate, J. Walter Stewart, at the 3rd ATELCA General Assembly meeting El Salvador. This visit included working meetings at the Maryland state legislature arranged by FIU.

The Center also continued to pursue an authorization for line-item flexibility with the LAC contracts offices. During the 3rd quarter, The Center for Democracy prepared a draft Commodity Procurement Plan stipulated as a major output in the regional cooperative agreement. This Plan was reviewed by UA/SUNY(CLD) and FIU and was forwarded by LAC/DI to a procurement specialist for review.

II. PROGRESS:

Below is a bar-graph chart that shows the progress achieved during the second quarter of the legislative development project in implementing the cooperative agreement's scope of work. The black bars denote completed outputs and the gray bars denote the Life-of-Project outputs stipulated in the cooperative agreement.



EXHIBITV: (continued)
Source: 3rd Quarterly Progress Report

SCHEDULE B

Estimated Cost

Personnel costs	
Salaries	\$276,346
Fringe benefits @ 30.5%	\$ 84,286(a)
Total personnel costs	\$360,632
Other direct costs	
Consultants	\$0
Travel and transportation	\$122,128
Tuition	\$0
Other direct costs	\$118,865
Total other direct costs	\$240,993
Indirect costs	\$198,375
Equipment	\$0
Estimated reimbursable costs	\$800,000

(a) Fringe benefits applicable to direct salaries and wages are treated as direct cost. These fringe benefits include FICA, retirement, life insurance and health insurance as per FIU's indirect cost rate agreement with the federal government.

EXHIBITVI:
Source: Subrecipient Agreement Between CFD and FIU

Budget

<u>Category</u>	<u>Total Estimated Cost</u>
Salaries	\$ 612,224
Fringe Benefits	132,671
Consultants	193,800
Travel & Transportation	636,242
Tuition; STIPEND PROFESSIONAL DEVELOPMENT	206,840
Other Direct Costs ^{HOUSING} educational EQUIPMENT, BOOK,	206,454
Indirect Costs	643,700
Equipment	368,069
Total	<u>\$3,000,000</u>

2. Notwithstanding the effective date of this Cooperative Agreement, and subject to the Standard Provision entitled "Allowable Costs and Contributions (Non-Profit Organizations other than Educational Institutions)," costs incurred on or after August 1, 1990 shall be eligible for reimbursement hereunder. Such costs are included in the Financial Plan shown above.

E. Substantial Involvement and Understanding:

A.I.D. will be involved in the Legislative Development Cooperative Agreement in the following ways:

1. Procurement Plan:

Based upon analysis of the individual country needs assessments and/or mission requests, the Grantee will develop a procurement plan for technical assistance and commodities. The plan will be submitted for A.I.D. approval prior to initiation of procurement actions.

EXHIBITVI: (continued)

Source: Cooperative Agreement Between CLD and CFD

SCHEDULE B

Estimated Cost

Personnel costs		
Salaries	\$144,128	
Fringe benefits (including SUNY consultants)	43,775	
Graduate research assistants (no fringe benefits)	<u>35,000</u>	
Total personnel costs		\$ 222,903
Other direct costs		
Consultants		
SUNY (fringe applied)	\$18,000	
Non-SUNY (no fringe)	<u>27,000</u>	
Total consultants		\$ 45,000
Travel and transportation	170,000	
Degree program stipends for 5 participants, professional development, educational supplies (including lap-top computers), administrative support, and research mentor graduate assistantships	206,840	
Other direct costs	<u>50,000</u>	
Total other direct costs		471,840
Equipment		<u>15,000</u>
Total direct costs		709,743
Indirect costs		<u>202,257</u>
Estimated reimbursable costs		912,000
Cost-sharing		<u>155,679</u>
Total estimated costs		\$1,067,679

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EXHIBITVI: (continued)
Source: Subrecipient Agreement Between CFD and SUNY/A

THE CENTER FOR DEMOCRACY

<u>Categories</u>	<u>Budget As per Subagreement</u>	<u>1 August 90- 31 July 91</u>	<u>1 August 91- 31 March 92</u>	<u>Expenditures Thru 3/31/92</u>	<u>Funds Remaining</u>
Personnel Costs:					
Salaries	\$156,750	\$92,661	\$67,937	\$160,597	(\$3,847)
Fringe Benefits	\$4,610	\$21,497	\$15,761	\$37,259	(\$32,649)
Research Assistants					
TOTAL	\$161,360	\$114,158	\$83,698	\$197,856	(\$36,496)
Consultants	\$148,800	\$45,472	\$1,826	\$47,297	\$101,503
Travel & Transportation	\$344,114	\$190,774	\$115,404	\$306,178	\$37,936
Degree Program (Tuition)	\$0	\$0	\$5,000	\$5,000	(\$5,000)
ODCs	\$37,589	\$48,483	\$89,955	\$138,437	(\$100,848)
TOTAL	\$530,503	\$284,729	\$212,184	\$496,913	\$33,590
Equipment	\$353,069	\$0	\$0	\$0	\$353,069
TOTAL DIRECT COSTS	\$1,044,932	\$398,887	\$295,882	\$694,769	\$350,163
Indirect Costs	\$243,068	\$151,504	\$112,435	\$263,939	(\$20,871)
TOTAL ESTIMATED COST	\$1,288,000	\$550,391	\$408,317	\$958,708	\$329,292

EXHIBIT VII:
Source: P. Williams, CFD

UNIVERSITY OF ALBANY, STATE UNIVERSITY OF NEW YORK/ALBANY

<u>Categories</u>	<u>Budget As per Subagreement</u>	<u>1 August 90- 31 July 91</u>	<u>1 August 91- 31 March 1992</u>	<u>Expenditures Thru 3/31/92</u>	<u>Funds Remaining</u>
Personnel Costs:					
Salaries	\$144,128	\$25,089	\$35,752	\$60,841	\$83,287
Fringe Benefits	\$43,775	\$9,643	\$6,287	\$15,930	\$27,845
Research Assistants	\$35,000	\$18,193	\$6,124	\$24,318	\$10,683
TOTAL	\$222,903	\$52,925	\$48,164	\$101,089	\$121,814
				\$0	\$0
Consultants	\$45,000	\$4,500	\$3,357	\$7,857	\$37,143
Travel & Transportation	\$170,000	\$19,397	\$59,159	\$78,556	\$91,444
Degree Program (Tuition)	\$206,840	\$3,181	\$17,259	\$20,440	\$186,400
ODCs	\$50,000	\$1,944	\$3,660	\$5,604	\$44,396
TOTAL	\$471,840	\$29,022	\$83,435	\$112,457	\$359,383
Equipment	\$15,000	\$1,923	\$1,885	\$3,808	\$11,192
TOTAL DIRECT COSTS	\$709,743	\$83,870	\$133,484	\$217,354	\$492,389
Indirect Costs	\$202,257	\$37,329	\$57,595	\$94,924	\$107,333
TOTAL ESTIMATED COST	\$912,000	\$121,199	\$191,079	\$312,278	\$599,722

EXHIBIT VII: (continued)
Source: P. Williams, CFD

FLORIDA INTERNATIONAL UNIVERSITY

<u>Categories</u>	<u>Budget As per Subagreement</u>	<u>1 August 90- 31 July 91</u>	<u>1 August 91- March 1992</u>	<u>Expenditures Thru 3/31/92</u>	<u>Funds Remaining</u>
Personnel Costs:					
Salaries	\$276,346	\$34,325	\$85,728	\$120,053	\$156,293
Fringe Benefits	\$84,286	\$9,462	\$16,684	\$26,146	\$58,140
Research Assistants					
TOTAL	\$360,632	\$43,787	\$102,412	\$146,199	\$214,433
Consultants	\$0	\$350	\$2,246	\$2,596	(\$2,596)
Travel & Transportation	\$122,128	\$15,037	\$31,908	\$46,945	\$75,183
Degree Program (Tuition)	\$0	\$2,062	\$4,600	\$6,662	(\$6,662)
ODCs	\$118,865	\$1,568	\$9,676	\$11,244	\$107,621
TOTAL	\$240,993	\$19,017	\$48,431	\$67,448	\$173,545
Equipment	\$0	\$0	\$13,857	\$13,857	(\$13,857)
TOTAL DIRECT COSTS	\$601,625	\$62,803	\$164,700	\$227,504	\$374,121
Indirect Costs	\$198,375	\$23,996	\$22,562	\$46,557	\$151,818
TOTAL ESTIMATED COST	\$800,000	\$86,799	\$187,262	\$274,061	\$525,939

EXHIBIT VII: (continued)
Source: P. Williams, CFD