

● Toward Strategic Management Progress Update

April 1991



One of a series of initiatives of
the U.S. Agency for International Development:

The Environment Initiative

The Democracy Initiative

The Partnership for Business and Development

Family and Development

plus

Toward Strategic Management, and

The Administrator's Evaluation Initiative

Overview

Significant activities have been, and continue to be, initiated to improve the quality of management in A.I.D.; specifically, doing more with less, maintaining high quality, low cost, and proper stewardship of resources. The initiatives have been tasked to AID/W bureaus and independent offices. Their efforts to date are discussed below:

I. Bureau for Program and Policy Coordination

PPC activities include a rewrite of the Foreign Assistance Act, enhanced evaluation activities (see separate Evaluation Initiative status report), and revision of local currency controls.

o Accomplishments

A. Redraft of the Foreign Assistance Act (FAA):

A.I.D. and the Department of State have drafted a substantially revised version of the FAA of 1961. The draft is now being reviewed by the Office of Management and Budget (OMB) for Executive Branch clearance. The draft contains changes intended to:

- o Provide a policy framework appropriate to the 1990s, based on U.S. foreign policy and A.I.D.'s mission, combining traditional priorities with the Agency's new initiatives in foreign assistance;
- o Permit a more flexible and effective approach to development assistance by combining the functional accounts into a single, global development account; and,
- o Simplify and rationalize the multiplicity of administrative provisions in the Act, to provide clearer approaches and authorities for the planning and delivery of assistance.

The revised FAA should be transmitted to Congress in April for review and passage in 1991.

B. Local Currency Policy:

The revised local currency policy was completed in December 1990 and submitted to the geographic and central bureaus for final clearance. This review identified six policy issues to be resolved, two of which have been the subject of legal opinions issued by the Office of the General Counsel. The remaining issues are scheduled to be reviewed and resolved by the Deputy Administrator at the end of March, and the revised local currency policy will then be distributed and implemented.

II. Bureau for Management Services

MS initiatives involve the areas of host country contracting, excellence through automation, and procurement improvements.

o Accomplishments

A. Improving Host Country Contracting (HCC)

Missions will ensure that contracting officers and commodity management officers participate at appropriate stages in the procurement planning and implementation when HCC is utilized. When HCC is utilized to implement project activity exceeding \$250,000, certification by the Mission Director is required regarding the capability and integrity of the contracting agency. Such certifications will be based on thorough assessments conducted prior to initiating new procurement actions, and, in the case of continuing activities, repeated or updated at least once every three years. Finally, Missions will assure that audits of HCCs are planned at the Project Planning stage and that funds are set aside for performance of the audits. These procedure and policy changes have been arrived at in consultation with key congressional staffs.

B. Procurement Improvements

The Procurement Policy Advisory Panel (PPAP) was reestablished last year. Contracting efficiency will be addressed through a series of forthcoming recommendations concerning specific procurement planning requirements, increased contracting officer involvement in project design, and an increase in the dollar threshold from \$100,000 to \$250,000 for other than full and open competition for contracts awarded overseas. Potential vulnerabilities that now exist will be addressed with revised handbook guidance on: Buy-in contracts and Indefinite Quantity Contracts (IQCs), agreements with other government agencies; and on the establishment of a steering committee on buy-ins and IQCs. Finally, the Agency will begin utilizing an information system managed by the Commerce Department to expand our publication of planned procurements at an earlier stage than is possible via announcement in Commerce Business Daily.

C. Excellence Through Automation (ETA)

Prior to establishment of this project only 37 percent of AID/W employees had access to word processing, the Agency's IBM mainframe computer, electronic mail, and limited ability to share data files. The remaining 63 percent have had less access to automation capability, primarily only to automated word processing. The ETA goal has been to install personal computers connected through local area networks and redeploy workstations to provide desktop access to 80 percent of the Operating Expense (OE)-funded professional staff and 100 percent of the OE funded support staff in AID/W. Assuming that the FY 92 portion of the project is funded, this level of automation will be available to 95 percent of all AID/W staff.

III. Office of Financial Management

FM activities center on the creation of a new AID/W Accounting and Control System and leadership of the Management Control Review Committee.

o Accomplishments

A. AID/W Accounting and Control System (AWACS)

A review of the Agency's financial management requirements has been completed, and eight business areas identified for specific, in-depth analysis. Later this summer, a decision will be made on whether A.I.D.'s AWACS can be created from an off-the-shelf commercial package or will have to be custom designed. FM and IRM are coordinating efforts in this area to ensure that details of the AWACS project remain consistent with the Agency's overall strategic information plan.

B. Management Control Review Committee (MCRC)

Since the announcement of this initiative, two meetings of the MCRC have been held. The MCRC has reviewed and approved the annual certification letter to the President and the Congress regarding the Agency's management control assessment activities.

In addition, performance elements and standards related to management controls for senior managers have been included in the instructions for preparation of Foreign Service EERs. Similar instructions will be transmitted for SES/GS/GM employees later this spring.

Finally, training courses have been designed and conducted for Agency personnel regarding vulnerability and internal management control assessment. During the week of March 18, training was provided to 25 of the Agency's senior staff, 40 line managers, and 30 MCRC coordinators.

IV. Office of Personnel Management

PM has taken the lead on development of a human resources strategy, the revitalization of a junior officer recruitment program, and a workforce planning and training initiative.

o Accomplishments

A. Human Resources Development Strategy

PM is developing a strategy for human resources development and management for A.I.D. employees. Our goal is to provide each FS and GS employee with a dramatically improved and personally-satisfying career path; that is, a series of planned experiences that increase an employee's skill and competence obtained through work assignments, formal classroom training, mentoring, and by individual or unit accomplishments that further the Agency's program goals. Simultaneously, these activities should enhance each individual's effectiveness and value to the Agency. We are in the process of implementing a personnel system that is more transparent, perceived to be more equitable, and provides a more predictable set of expectations about career advancement.

We have identified obstacles in the present personnel management systems in the areas of recruitment, assignments, training, incentives, position classification, and organization structure. We soon will release an AID-wide cable detailing the problems in these areas as we perceive them and our expectations for improvement.

B. Junior Officer Recruitment

The Administrator has approved implementation of a revitalized International Development Intern (IDI) program. Beginning immediately, FTE and funding have been set aside and will be managed centrally by PM. With this change, assignment of an IDI to a bureau or mission will represent a net staffing gain to the organization. This will allow PM to emphasize recruitment of entry level, as opposed to mid-level officers. Selection criteria have been revised to again emphasize analytic ability and potential; lack of prior overseas experience will not be disqualifying. In addition to reducing program costs, the Agency will realize significant progress in affirmative action recruitment. In 1991, we will appoint a class of 40 IDIs representing meaningful racial and gender diversification.

C. Workforce Planning

In September 1990, the Deputy Administrator charged PM with establishing a planning working group to conduct an extensive study of the A.I.D. workforce

workforce. This activity has been completed and has resulted in a comprehensive report that indicated, in addition to description data, the most desirable skills and skills mixture that the Agency will require of an officer in the foreseeable future. The Deputy Administrator has since approved the creation of a formal workforce planning system whose goals are to shape and manage the size, skills mix, cultural diversity, distribution, and placement of the workforce. Ultimately, this system will lead to the establishment of a future workforce that will accurately reflect the projected direction and priorities of the Agency.

D. Training Initiative

The Agency has developed training programs to prepare staff to operate in a rapidly changing environment with emphasis on the new initiatives. In response to emerging program needs, PM produced a training course in Democracy Initiatives and one intended to assist in the agricultural aspect of the Partnership for Business and Development Initiative.

V. AFR, APRE, LAC, ENE and S&T Bureaus

The above bureaus have been charged with concentrating bureau and mission portfolios and moving towards "doing more with less."

o Accomplishments

A. Bureau for Africa

Since May 1989, AFR has made progress toward improving its management of development and food aid resources. Specific bureau objectives in this area and accomplishments are:

- o Concentrate Development Fund for Africa (DFA) resources in countries that are performing well. A supplemental budget allocation exercise was conducted in November 1990. This resulted in a decision to focus additional resources supporting of social sector reforms (health, family planning, and basic education) and to a lesser extent, in environmental conservation;
- o Tie routine management actions to DFA policy and program priorities. AFR has sought to achieve this end by reorganizing to concentrate management resources, increase the authority of the geographic offices, and establish shorter and clearer lines of authority overall;
- o Put A.I.D.'s resources to work with PVOs, other donors, and private business sectors. AFR has recently added funds to three International Finance Corporation-managed projects; started a venture capital promotion project; and

negotiated an agreement with OPIC under which U.S. companies will participate in six trade and investment missions to Africa in 1991 and 1992;

- o Integrate programming of food aid (and ESF) resources with DFA resources. AFR mission staff is moving rapidly to implement the new Title III legislation, which is especially well-suited to the African situation and the mandate of the DFA. Program proposals for Mali and Mozambique have been received and are now under review.

B. Bureau for Asia and Private Enterprise

APRE has undertaken activities to improve strategic management and focus resources. These include:

- o A portion of the International Executive Service Corps (IESC) funding has been withheld pending an analysis to correct chronic funding problems and inefficient country operations;
- o In conjunction with PPC, APRE has set up a least cost tracking system for microenterprise projects. This system is essential to providing information to Congress and the Agency for tracking program efficiency;
- o Reporting requirements have been strengthened in the Investment Office's Loan Portfolio Guarantee Program. In the area of enforcement, APRE is prepared to terminate agreements in those cases of delinquent bank utilization reports; and
- o A detailed assessment of Housing Office operations has been undertaken. Policy revision is underway to improve appraisal of the guarantee facility, determine its appropriate use, and improve the management of the existing portfolio.

C. Bureau for Latin America and the Caribbean

LAC has initiated a series of actions intended to streamline and concentrate Agency planning and program. These include:

- o An examination in each country action plan review of program focus, with a corresponding rejection of proposed new projects that stray from a focused program strategy;
- o Issuance of an LAC Bureau cable requesting mission suggestions for reducing paperwork and streamlining program documentation;