US Agency for International Development
Office of Food for Peace

Title II Streamlining:
Opportunities for Improvement

FINAL REPORT

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I. Executive Summary

Background

The Farm Security and Rural Investment Act of May 2002 included an amendment to Section 202 of PL 480, calling for "Streamlined Program Management" of the PL 480 Title II program. The legislation was clear: streamline overall guidance and procedures for the program; streamline procedures for resource requests; improve program review and approval processes; identify basic critical information needs, and provide greater flexibility for modifications in programs. The accompanying report language was equally clear, emphasizing that the streamlining of procedures and regulatory requirements "are a priority in this legislation."

As described in the Introduction of this Report, USAID responded to this mandate in several ways, including the use of two highly qualified consulting firms to undertake a detailed analysis of Title II streamlining needs. This Report presents their analyses, findings and recommendations.

The major conclusion of this Report is that the PL 480 Title II program and the Office of Food for Peace are in urgent need of the highest level of management attention and support within the Agency for International Development. With a budget of $1.8 billion in 2003, FFP's processes and procedures have become overcomplicated, chronically late, and of immense frustration to FFP staff, Cooperating Sponsors, USAID field missions, agricultural commodity suppliers, and related business interests.

Title II is the largest single program that the Agency administers, and the Office of Food For Peace manages resources larger than those of most regional Bureaus. Located within the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA), FFP's activities are largely a mystery to many in the Agency and its day-to-day operations are overwhelming. FFP staff are overworked, often under-trained, and largely devoted to a cumbersome management process that has been years in the making. Basic regulatory guidance is seriously out of date and not reflective of at least three cycles of significant legislative changes. When compared to its sister organization within the DCHA bureau, the Office of Foreign Disaster Assistance, FFP is under-supported, despite having four to five times the program resources.

In the field, both USAID and "Cooperating Sponsor" managers struggle with inconsistencies in program oversight, regulatory interpretation and the task of matching Cooperating Sponsor Title II objectives with USAID mission strategies. USAID field missions are uneven in their support for Title II – some view the program as a useful addition to US assistance, while others see it as a complex management responsibility, inviting audit criticism. All could benefit significantly from reduced documentation requirements and less procedural complexity.

It should be noted that FFP responded in extraordinary fashion to recent famine conditions in Africa and to the specialized needs of Afghanistan and Iraq. However, other critical emergency and development program approvals are often unacceptably late – literally affecting the lives and well being of tens of thousands of people. Flawed internal

procedures, founded on years of bureaucratic reticence, foster unnecessary delays in program approvals – often while those in need wait for food. Communications systems and team-building are in need of urgent attention. Basic documentation, control systems, and internal policy and procedures manuals are needed. In short, systems, processes, and procedures must be updated, simplified and modernized, and staff must change accordingly for FFP to achieve its critical strategic objectives.

Delays in program approvals can also be costly. With similar delays in the approval of USDA food aid programs, the result is a "bunching" of requirements for commodity purchases and ocean freight services at the end of the fiscal year, costing Title II millions of dollars in higher prices for certain commodities.

USAID itself also has continuing problems with delay and internal process, and some of the issues faced by the Office of Food for Peace reflect those difficulties. However, most of the concerns that are detailed in this Report are not the fault of the rest of the Agency. Rather, they stem from years of neglect on the part of top-level Agency management to FFP's requirements for managing an efficient, timely, effective, and high performance program. Now that Title II resources reach annual levels of $1.5 billion (or more), the Office can no longer continue to focus on minutia, adhere to outdated regulations, or rely on information systems which are archaic and vulnerable. In the interests of those whom it serves, FFP cannot afford chronic, excessive, and largely unnecessary delay.

The administration of the Title II program has been the subject of at least four reviews and studies in the past four years. Recommendations for improvement which are remarkably similar have for the most part, been ignored by the Agency or simply forgotten and not implemented. Several of the basic findings in this Report mirror those that have been identified before, and the question must be asked, *why were they ignored?*

The recommendations are not new: simplify guidelines and proposal procedures, clarify and properly interpret regulatory requirements, and support modern information systems. The difference now is that this Report also reacts to a clearly expressed, time-limited mandate from the United States Congress to "streamline" administration of the program. As a consequence, the Report includes findings and recommendations that delve very deeply into the processes, procedures, and systems that are currently the basis for USAID's management of the Food for Peace program.

The task of streamlining is not easy, and this Report's findings and recommendations provide extensive detail on what must be done, from high-level management actions to line-level office procedures. While the need for change is obvious, implementation will require unprecedented senior management attention to support the Director of the Office of Food for Peace, who is committed to making these changes.

Key Findings

Findings – Operating Environment

1. **The recent enormous growth in Title II program size and responsibility requires an end to "business as usual."** The PL 480 Title II program received over $1.8 Billion in appropriations for FY 2003. While that level was unusual for many reasons, appropriations of approximately $1.2 billion can be expected on a continuing basis. At that level, the program simply cannot be managed by USAID in the manner of prior years. Lack of critical staff, excessive process, preoccupation with detail, and overwhelming documentation requirements are completely incompatible with a $1.2 billion program. Economies of scale and the management decisions to achieve them are essential and urgently needed. The congressional mandate to streamline, which will strengthen FFP's internal operations and procurement systems, adds urgent impetus to an already essential task.

2. **The Title II program, while an activity of USAID, has been greatly impacted by numerous external influences over the past 18 months which have required extraordinary attention and have consumed management time and resources.**

   These influences include:

   - Unprecedented emergencies (Ethiopia)
   - An extended period of Continuing Resolutions
   - Changing commodity prices
   - Complex emergencies with important foreign policy implications (Iraq, Afghanistan, and North Korea)

   In addition, revised appropriation levels and a complicated process of receiving funds from the U.S. Department of Agriculture add to the effects from outside influences on the complexity of managing the program. The planned Millennium Challenge Account may target many of the countries served by Title II, and its administration may ultimately affect Title II policies and procedures as well.

   The Agency and the leadership of Title II have done much to deal with these influences over the past 18 months. However, the Agency now must shift its attention to a management focus for Title II that creates and sustains far greater program efficiency.

3. **The Office Of Food for Peace has developed a Concept Paper for its new Strategic Plan that can be the basis for streamlining.** The new Concept Paper proposes a focused strategic objective – *Food insecurity in vulnerable populations reduced* – with matching intermediate results dealing with enhancing FFP's global leadership in food aid and increasing Title II program impact in the field. In addition, a crucial intermediate result that links the strategic framework is "*timely and efficient program management achieved."* This strategic approach

provides the most immediate opportunity to recommit the Agency to timely, efficient and effective management of Title II.

4. **Basic regulatory guidance for Title II is inexcusably outdated by over a decade, and no Title II guidance exists in the Agency's Automated Directive System.** The lack of updated regulations causes reliance on "ad hoc" interpretations, a long outdated Handbook, and internal memos, emails and notes that are not codified, sometimes inconsistent, and occasionally forgotten.

5. **Although there have been four major reviews of FFP's administration of Title II since 1999, the Agency has devoted insufficient attention to their findings and recommendations.** In addition, there have been prior GAO reports and other reports dealing with FFP management The recommendations in these reports are remarkably consistent: e.g. the need for clearer, more succinct guidance, substantially reduced documentation requirements, shorter time periods for program review and approval, additional and better trained staff, and simplified reporting requirements. However, only a few recommendations have been implemented to date.

6. **There is a high cost for delays in program approvals for development programs and some emergency programs. Such delays lead to a "bunching" of requirements for certain commodity purchases and freight services late in the fiscal year, often at higher costs**. This situation is exacerbated by similar delays in USDA programs occurring at the same time. The result is excessive demand on commodity and freight suppliers for large amounts of commodity and freight services within a short timeframe. Preliminary analyses of select Title II commodity prices indicate price increases of at least 5-7% during these peak periods. Through more timely review of programs and earlier approvals to purchase commodities, FFP could avoid "bunching" and could easily save millions of Title II dollars.

Findings – Food for Peace Administration and Financial Management

1. **Budgeting and financial management activities in the Office of Food for Peace are time-consuming and not well understood, and FFP has inadequate resources to perform them.** FFP appears to be constantly pre-occupied with "budgeting" and "re-budgeting," and within FFP there appears to be confusion and a lack of understanding about the Operational Year Budget process. The Office must also deal with a complex process for obtaining its funding from USDA accounts. At the same time, the Office has a major responsibility to manage and report on the actual use of budgeted resources (that currently exceed $1.5 billion). In addition, there are continuous tasks required in budget examination of all proposals. Both the capacity and the configuration of staff resources are not adequate to meet these varied responsibilities.

2. **USAID's "mission re-delegation authority" has not been used extensively this year, if at all.** The Office of Food for Peace and the Agency have established clear criteria for "re-delegated missions" in which certain PL 480 Title II

decision-making authority has been redelegated. That authority should be considered to help reduce time spent by FFP/Washington in the program approval process. Currently, five USAID missions have "re-delegated" authority to make some decisions now being taken in Washington. Those authorities should be used, if appropriate, or withdrawn.

3. **Food For Peace clearly needs additional support for both technical and administrative resources.** Information technology upgrades, staff training, computers and other technical needs, all require substantially increased Agency support. Many of these unmet needs are long overdue and will be necessary to follow implement serious streamlining efforts.

4. **Food for Peace has several streamlining efforts underway.** Redelegation of authority, combined funding documents, reduced Issues Papers, and an improved commodity ordering system are all examples of the Office's commitment to streamlined procedures.

Findings – Program Management

1. **Significant improvement is needed in the timing and management of FFP's program review and approval process for both development and emergency programs.** For non-emergency development programs in which a Development Assistance Plan (DAP) and results reports are submitted by a Cooperating Sponsor, the total amount of documentation submitted on a single due date is excessive. This in turn, causes major delays in review and approval schedules.

2. **Currently, the FFP DAP Guidelines are unclear regarding the definition of the legislatively required 120 day window for program "approval."** The Guidelines now state: "FFP will reach a final decision (approve and negotiate a signed transfer authorization, or deny approval) on DAP proposals within 120 days of submission of a complete document to FFP" (page 1). However, later the Guidelines state: "By the end of the 120-day period, FFP will communicate the decision made regarding approval or denial of the proposal" (page 2). These are 2 different definitions. **FFP should uphold the more rigorous standard of an approved TA and obligation of funding within the 120 day period. <u>As of June 30, 2003, none of the 15 DAPs submitted November 1, 2002 had TAs signed within the 120 window</u>** (although 2 were rejected).

3. **FFP has a largely informal approach to key policy issues.** This results in confusion, inaction, variable interpretations, internal conflict, miscommunication, and an overall ad hoc approach which is time-consuming, costly, and not transparent to outsiders.

4. **FFP has a serious lack of clear, updated, written guidelines for even its most basic operational procedures.** As a result, FFP currently operates on the basis of the "institutional memory" of a few individuals with their own perspectives, biases, and resource limitations.

5. **FFP's workload is such that staff spend much time reviewing/approving past performance "results reporting" in addition to reviewing/approving programmatic proposals** (for both emergency and non-emergency activities). As such, relevant streamlining efforts should focus on results reporting as well. It is possible that much of this performance review could be performed by field missions.

Findings – Information Systems

1. **Delays in data entry (input) and generation of key reports (output) of the Food for Peace Information System (FFPIS) cause a major bottleneck in FFP's review and approval process.** While it is the sole historical database for FFP commodity transactions and programs, the FFPIS system is antiquated, lacking back-up, and in need of major redesign to be more user-friendly and responsive.

2. **The "FARES" system, jointly developed by USDA and USAID, is a marked improvement to the traditional commodity "call forward" process**. FARES will be used for all food aid programs administered both by USDA and USAID and will be mandatory for all food orders. However, recent experience with "live" ordering through FARES indicates that **FFP will need to provide careful written explanations to users.**

<u>Key Recommendations</u>

1. **Within the next 30 days, FFP is advised to publish revised PL 480 Title II Guidelines and Policies for the submission of non-emergency program proposals** that include changes resulting from the streamlining review, as required in last year's legislation. The guidelines should also include provisions clarifying the use of Section 202(e) and ITSH funding. To comply with the federal E-Government initiative, FFP should test on-line submission of DAP proposals for FY 2005. The guidelines and application should also be posted to www.grants.gov, enabling partners to both "find" and "apply" electronically.

2. **FFP should revise the timing requirements for the submission of non-emergency program proposals** and results reports to require phased submission of documentation on November 1, January 15, and February 15 (as outlined in the Report). This will dramatically decrease concentrated workload requirements for both Cooperating Sponsors and Agency staff.

3. **FFP should adhere to the following definition of the "120 day requirement" for development proposals**: *completion of all program review and approval procedures, including the approval of an Annual Estimate of Requirements, and the issuance of a Transfer Authorization within that timeframe.*

4. **FFP should draft, submit for public comment, and issue an updated Agency Regulation 11 by January 15, 2004.** The need for updated regulatory guidance was specifically identified in the streamlining legislation.

5. **FFP should take immediate action** to improve the timing of data entry (input) into the Food For Peace Information System (FFPIS) and broaden the availability of key FFPIS reports (output) for use by staff in the proposal review and approval process. In addition, FFP should take action to upgrade the FFPIS system and enhance overall database design, functionality, and access.

6. **FFP should immediately review and plan to implement the remaining internal administrative and management systems improvements recommended in this Report and described in the Action Plan and Timetable, including**:

   - Establish intermediate milestones and performance benchmarks for program review, approval clearance processes for both Washington and field missions.
   - Develop and maintain proposal tracking mechanisms.
   - Develop a proposal review "checklist" instead of the "review worksheets."
   - Develop standard operating procedures and standardized TA language for funding documents.
   - Develop a clear, written, internal Process and Procedures Manual for both emergency and non-emergency proposal reviews.
   - Take steps to organize FFP in to a more team-oriented work culture.
   - Establish a Training Unit within FFP.
   - Develop a career path for FFP employees.
   - Improve internal and external communications.
   - Add additional financial management and other selected staff and employ an experienced, full time Controller.

II. Background & Methodology

II.A. Legislative Mandate

The Farm Security and Rural Investment Act of 2002 was signed into law in May of 2002 and included several amendments to PL 480 – the Agriculture Trade Development and Assistance Act of 1954. Prominent among those changes was an amendment to Section 202 of PL 480, calling for "Streamlined Program Management" of the PL 480 Title II program and "improvements in the Office of Food for Peace Management systems."

Specifically, the amendment provided:

"(h) STREAMLINED PROGRAM MANAGEMENT.-

(1) IMPROVEMENTS. – Not later than 1 year after the date of enactment of this subsection, the Administrator shall -

(A) streamline program procedures and guidelines under this title for agreements with eligible organizations for programs in 1 or more countries; and

(B) effective beginning with fiscal year 2004, to the maximum extent practicable, incorporate the changes into the procedures and guidelines for programs and the guidelines for resource requests.

(2) STREAMLINED PROCEDURES AND GUIDELINES. – In Carrying out paragraph (1), the Administrator shall make Improvements in the Office of Food for Peace management Systems that include –

(A) expedition of and greater consistency in the program review and approval process under this title;

(B) streamlining of information collection and reporting systems by identifying the critical information that needs to be monitored and reported on by eligible organizations; and

(C) for approved programs, provision of greater flexibility for an eligible organization to make modifications in program activities to achieve program results with streamlined procedures for reporting such modifications.

(3) CONSULTATION.-

(A) IN GENERAL. – Paragraphs (1) and (2) shall be carried out in accordance with section 205 and subsections (b) and (c) of section 207.

(B) CONSULTATION WITH CONGRESSIONAL COMMITTEES.-

Not later than 180 days after the date of enactment of this Subsection the Administrator shall consult with the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry

of the Senate on progress made in carrying out this subsection.

(4) REPORT.- Not later than 270 days after the date of enactment of this subsection, the Administrator shall submit to the committee on Agriculture and the Committee on International relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the improvements made and planned upgrades in the information management, procurement and financial management systems to administer this title."

In the Statement of Managers accompanying the Farm Security and Rural Investment Act, the House/Senate Conferees emphasized the importance of these provisions, noting that "the streamlining of procedures and regulatory requirements, and acceleration of the approval and review of projects involving food aid programs administered by USDA and USAID are a priority of this legislation." The Managers went on to state that: *"It is necessary for USDA, USAID, and participating non-governmental organizations to act in concert to streamline and expedite procedures and activities to achieve a more effective and timely food aid delivery process*."

In November of 2002, as required by the legislation, USAID officials briefed Congressional representatives on initial streamlining activities and progress to date. In February of 2003, USAID, noting an unprecedented situation of extraordinary attention to famine relief, combined with an extended period of operation under a Continuing Resolution, requested and obtained an extension of time to continue its work and reporting on streamlining activities. Based upon that agreement, an Interim Report was to be provided on March 31, 2003 with a Final Report to be completed by July 31, 2003.

II.B. Scope of Work

The Enterprise Resource Group, Inc. (ERG) and TCR Services, Inc. (TCR) were contracted by the Agency to assist with the streamlining effort from January 29 to July 31, 2003. These "Streamlining Consultants" provided demonstrated expertise in Title II, food aid management, systems, and process improvement. They facilitated the streamlining effort and liaised extensively with internal and external stakeholders to assure the widest possible range of inquiry, both within and outside USAID.

The Scope of Work for the Streamlining Consultants included the following tasks:

- Prepare the Interim Report to Congress;
- Examine overall management and programmatic approval processes for the existing divisions of the Office of Food for Peace, as well as the new Technical and Policy Division;
- Review current strategic planning activities and recommend potential opportunities for a unified approach to emergency and development needs;
- Examine ways to facilitate shared services across the DCHA Bureau;

- Engage in a wide range of data collection, process mapping, and systems analysis, including a review of official documentation and regulations;
- Gather input from a wide range of stakeholders, both within and outside the Agency;
- Meet with the Issues Group of the FACG;
- Review existing and proposed automated systems;
- Review prior studies and analyses;
- Conduct systems analyses for key FFP processes, using gap analysis methodology;
- Provide a Streamlining Report with an action plan and timeframe for carrying out proposed recommendations.

II.C. ERG / TCR Approach

The ERG/TCR team based its review on the stated intent of the Interim Report, which declared that USAID would conduct "*an examination of potential streamlining decisions that is transparent and as inclusive as possible."* To this end, the Streamlining Consultants adopted an approach to the project that was team-based, cross-functional, and participatory. Data gathering was achieved using a variety of sources and methods to ensure maximum input from stakeholders within and outside USAID.

Personal Interviews / Meetings / Correspondence: Over 85 individual interviews, meetings and correspondence exchanges were conducted with individuals and organizations including Cooperating Sponsors, trade and business interests, the Office of Food for Peace, other USAID/Washington staff, USAID field staff, other DCHA Bureau staff, the U.S. Department of Agriculture, FANTA, FACG, AMEX, and related stakeholders in the food aid community.

On March 25, 2003, the consultants introduced the streamlining effort at the FACG Meeting in Washington and attended the *Export Food Aid Conference*, in Kansas City, in April 2003. (See Annex B. List of Contacts for details.)

FFP Senior Management Consultation: Multiple, personal interviews were conducted with the Directors of the Development, Emergency and Program Operations Divisions, and the Deputy Director of FFP. The Director of FFP was consulted throughout the project.

Streamlining Working Group: FFP established a cross-functional working group to support the consultants throughout the streamlining assessment. The working group functioned as a "sounding board" for ideas and suggestions, helped gather and disseminate relevant information, and kept the consultants abreast of issues and current conditions in the Office.

Document Review: Per the SOW, prior studies and reports on Title II and FFP were carefully examined and considered for current relevance.[1] These included:

[1] A complete list of documents used in the assessment is provided in Annex C.

- Chandler Sykes Study
- O'Meara Study
- FANTA Food Aid Food Security Assessment
- Michigan State University Study on Monetization
- Final Evaluation of Institutional Support Assistance cooperative agreement with Adventist Development and Relief Agency (ADRA)

All other relevant documentation was reviewed including: emergency and development program guidance; monetization and ITSH guidance; program proposal and approval documentation; legislation and regulations; funding transfer documents; internal FFP reporting and control documents; FFPIS Reports; FFP, Agency and Bureau budgeting guidance; commodity ordering formats; existing formal and informal guidance and manuals (including training materials); relevant on-line information from USAID, FFP, OFDA, USDA and related websites; relevant Agency ADS sections; and a wide range of internal and external correspondence. (See Section IV.A Documentation Review and Annex C. List of Documents reviewed, for a complete list.)

IG Process Review: The Performance Audit Division of the Office of the Inspector General conducted a survey of the key processes used to manage funds provided under the PL 480 Title II Program. This survey, published May 23, 2003, included a very brief overview of the review and approval process for both emergency and non-emergency programming. The IG's Report *"did not attempt to evaluate the effectiveness of these individual processes and did not involve substantive testing to verify whether existing procedures were, in fact, being implemented and whether they complied with applicable agency policies and regulations."*

FFP IT Systems & Hardware Proficiency Survey: In early 2003, FFP and the Institutional Contractor conducted a survey to assess information technology needs within and outside the Office. Regrettably, only 15 responses were received. Of key interest to the Streamlining Consultants were the specific suggestions provided on FFPIS. (See Section V.C. Systems Analysis: FFPIS for details.)

Assessment of Internal & External Influences: The ERG/TCR team also took into account the internal and external influences that uniquely affect the Office of Food Peace and the Title II program. The ERG/TCR team examined these influences, especially those caused by legislative change and external policy development; emergency or extraordinary assistance requirements; budgeting and procurement systems external to the Office of Food for Peace; USDA food aid programs; field mission relationships; and the expectations of external stakeholders. (See Section III. Influences Affecting Streamlining for a more detailed discussion.)

Electronic Bulletin Board: A web-based intranet entitled "Streamlining Central" was established at www.ergconsult.com to provide information and solicit streamlining suggestions. Key documents were posted for public review, including the Interim Report to Congress, legislation on streamlining, survey results (see below), the Final Report to Congress, and this Final Report.

Supporting Documentation: The consultants have provided extensive Annexes to this Report which contain valuable information gathered, analyses conducted, and

suggestions made in support of the streamlining effort. These documents will be referred to throughout the body of this Report. (See the Table of Contents for the listing of Annexes.)

On-Site Workflow Review: The consultants spent time "walking the halls" at FFP to understand the workflow of data, systems, and documents related to steps in the review and approval process. Consultants "shadowed" staff on-site to observe and understand:

1. the "day in the life" of County Backstop Officers from both emergency and development Divisions, and related activities of the Program Operations Division
2. flow of data elements throughout the Office from submission of proposals, through finalizing of TA packages and signature approvals
3. data entry into and report generation from FFPIS
4. data entry into NMS/Phoenix and FARES
5. call forward actions
6. field communications

Surveys: Although not required in the SOW, the Streamlining Consultants felt it was important to receive anonymous input from FFP and key stakeholders in addition to data gathered from personal interviews and public meetings. From May 5 to May 16, the consultants conducted four separate on-line surveys to solicit anonymous feedback from internal and external users of PL 480 Title II programs. The survey data supplemented information from other sources, such as personal interviews, document research, and on-site workflow reviews. The surveys were targeted to the following participants:

1. FFP Washington Staff
2. FFP Field / Mission Staff
3. PVO Community
4. World Food Program

The anonymity of the surveys helped reveal suggestions that might not have been captured otherwise. The aggregated survey data also helped identify key issues for further review. In addition, the surveys helped to expand the sample of individual participants, given that not all stakeholders could be personally interviewed.

The following is the response rate for each of the four Streamlining Surveys:

- FFP Washington: 23 out of 47 invitees (49%)
- FFP Field: 24 out of 80 invitees (30%)
- PVOs: 31 out of 87 invitees (36%)
- WFP: 4 out of 16 invitees (25%)

Survey results are cited throughout this Report as relevant. For complete survey results, see Annexes F, G, H, and I.

Process Reviews:

The following outlines the logical series of steps taken in the process review effort. Some background information on best practices in process improvement is provided for readers unfamiliar with process improvement and organizational change initiatives.

Background: The goals of process improvement efforts typically are to:

- Improve work product quality
- Improve timeliness and accuracy of the work produced
- Reduce cycle time
- Reduce duplicate and manual processes
- Reduce processing steps and eliminate non-value added steps
- Reduce turn-around time
- Improve services to "customers"
- Increase cross-departmental sharing of information and reduction of storing duplicate data

Define Process Boundaries: In a typical process review, the process "boundaries" must be established and processes defined. For this streamlining assessment, senior management concurred that the process review to be conducted by the Streamlining Consultants would be limited to those **internal processes over which FFP has control, and can therefore make needed changes.** For the assessment, the process "boundaries" were defined as**: from the point a proposal is received at FFP to the point when the Transfer Authorization (TA) is approved and funds are obligated in USAID's NMS/Phoenix system.**

Develop Process Review Criteria*:* The Streamlining Consultants worked to develop an understanding of FFP processes and subprocesses to ensure that future streamlining will truly represent major, meaningful improvements. To this end, the consultants focused on the following questions in order to gain a more complete understanding of day-to-day operational steps taken by FFP staff:

1. What are the key processes within FFP's control which impact their work output?
2. What steps and what jobs are involved in these processes? (Who does what?)
3. What policies and regulations apply to the processes? How do these apply to the process steps?
4. What technology and systems are used in the processes, and for which steps?

Conduct Process Analysis: The ERG/TCR team aimed to understand many perspectives; find the source of key issues and major concerns; identify bottlenecks, duplication, gaps; and identify areas for immediate improvement. This was achieved by:

- Reviewing the IG's process flow charts
- Conducting detailed personal interviews with FFP staff, managers, the Streamlining Working Group, and outside stakeholders
- Reviewing tracking charts maintained by AMEX for EP and DP programs
- On-site review of process steps at FFP Washington office
- Defining & understanding subprocesses that were not detailed in the IG's charts
- Identifying key decision points, bottlenecks, and gaps
- Preparing a process map, showing activities/steps, workflow, and timing

The consultants recognize that the processes reviewed are not explicitly performed the same way every time. Rather, variants typically result from new and unexpected circumstances which occur frequently in FFP's operating environment.

Value-Added vs. Quality Control: The consultants reviewed key process steps to identify which were needed to affect a "state of change" in the process. They also attempted to understand the extent to which each step *adds value*: that is, the extent to which the activity contributes to achieving the final output: timely delivery of food to the US port of departure.[2] This is in contrast to process steps which do not add value, but which provide quality control (checking) to ensure there are no "defects" in the work produced.

Process "Audits" / Gap Analysis: Given the publication of the IG's process review of FFP, it was redundant for the Streamlining Consultants to conduct a gap analysis for FFP's review and approval process. However, building on the IG's process review, the consultants delved further into the day-to-day workflow within all Divisions at FFP using gap analysis methodology to determine areas for improvement.

- See Section V.C. for a detailed discussion of the outcome of the process review.
- See Annex J. Process Map: DAP Review & Approval Process.
- See Annex K: Process Map: Emergency Proposal Review & Approval Process.

II.D. Streamlining Progress Already Underway

As noted in the Interim Report of March 31, 2003, several streamlining initiatives have been underway within the Office of Food for Peace. These include:

- **FARES:** USAID and the Department of Agriculture have completed work on the Food Aid Request Entry System (FARES). FARES is a web-based system whereby authorized participants may call forward (request) commodities against approved programs through a paperless on-line medium. Through the system, a Title II Cooperating Sponsor will be able to enter commodity request data in a user-friendly electronic format against approved Title II programs. Administered by the U.S. Department of Agriculture in cooperation with USAID, the system represents a major advancement in the real-time information sharing on the status of any commodity request throughout the entire process. This will minimize the need for time-consuming follow-up by telephone or email with USAID staff. While initiated by USDA, USAID has contributed significant cash and human resources to this highly beneficial project. FARES will be used for all food aid programs administered both by USDA and USAID and will be mandatory for all food orders.

[2] Value-adding activities usually have three characteristics: 1) they accomplish something the "customer" cares about; 2) they physically alter an entity (e.g. a form); and 3) it is important they be done right the first time.

- **Re-Delegations of Authority**: In an effort to expedite program reviews and approvals, the authority to sign transfer authorization modifications of up to $10 million has been re-delegated to Division Directors. Similarly, approval of CSR4s and other administrative modifications to transfer authorizations has been re-delegated to Division Directors.

- **Freight Obligations:** The authority to obligate funds to cover freight costs of up to $10 million has been re-delegated to the Division Director for Program Operations. These re-delegations are intended to significantly reduce the time and number of clearances required for various approvals within the Food for Peace Office.

- **"Hybrid" Transfer Authorizations (TA):** The "Transfer Authorization" is the basic obligating document for Title II resources. Recently, USAID has made use of a new "hybrid" TA, a document that obligates funds from multiple resources. In an initial test of this approach, Cooperating Sponsors in Ethiopia have closely integrated their planned use of Title II resources with USAID/Ethiopia Development Assistance (DA) funding. Normally, this would have necessitated two separate approval documents.

- **Closure and de-obligation of Title II-funded activities**: Beginning in FY 1999, FFP initiated an effort to assure the prompt closure and de-obligation of Title II program accounts, specifically those obligated by USAID for freight-related expenses for Title II activities.[3] FFP reimburses Cooperating Sponsors for the costs of these activities associated with Title II programs. Often actual expenses are less than the amounts obligated, and the balance can be de-obligated for other uses. FFP has designated staff and streamlined procedures to monitor these accounts for prompt closure and de-obligation of unliquidated funds. Once de-obligated, these resources can be apportioned by the Office of Management and Budget to meet current food aid needs. FFP is also refining its freight estimating procedures in order to achieve more accurate estimates.

- **Pilot of On-Line FFPIS Reports**: FFP is currently taking steps to pilot the posting of key FFPIS reports on the USAID intranet (e.g. Line 8 and Line 17 Reports). This will help streamline the availability of important data that FFP requires for the proposal review and approval process. POD is working with the Institutional Contractor to validate the hyperlinks and test uploading for use by all FFP staff.

- **Reduced Issue Paper Content**: During the current year DAP review process, the Development Program Director decided to take action to reduce the size and content of "Issues Papers" sent from FFP to Cooperating Sponsors to provide feedback on their proposals. Several PVO representatives have expressed their appreciation for this much-needed improvement.

[3] FFP obligates on average over $500 million annually for ocean freight, inland freight, and internal transportation, storage and handling (ITSH) and related costs.

- **Training Coordinator**: Despite a huge workload and no extra budget for training, FFP has taken steps to address urgent internal training needs by designating an internal Training Coordinator role. This individual will add the training coordination function to existing job duties.

III. Influences Affecting Streamlining

III.A. Unique Influences

The task of streamlining Office of Food for Peace processes and systems is considerably impacted by an extensive range of USAID influences, as well as external factors. The Office is subject to a unique combination of these influences that affect its ability to plan and manage its activities.

Unlike other USAID offices, FFP manages very high volumes of commodity allocations and approvals of such allocations to American Private Voluntary Organizations and the United Nation's World Food Program. This function, together with cash transfer responsibilities under several authorities, requires different documentation requirements from the rest of the Agency, close coordination with the U.S. Department of Agriculture, and a program review and approval process that constantly positions external expectations against internal processes.

In addition, major emergencies, changing commodity prices, wide variations in appropriation levels in recent years and a complicated process of receiving funds from the U.S. Department of Agriculture, have only enhanced the effects of outside influences on the complexity of managing the program. Within USAID, FFP must deal with a complex budgeting system that combines Development Assistance funding with PL 480 commodity and cash funding. Further, new initiatives such as the planned Millennium Challenge Account may target many of the same countries served by Title II, and its administration may ultimately affect Title II policies and procedures.

III.B. Strategic Planning Outside FFP

Streamlining Office of Food for Peace management of the Title II program must take into account strategic planning that is underway at the Department/Agency level as well as within the Bureau for Democracy, Conflict and Humanitarian Assistance.

The recently developed State Department/USAID Strategic Plan highlights as one of its strategic goals, "Management and Organizational Excellence," with accompanying performance goals that include "*a high performing, well trained and diverse workforce aligned with mission requirements*" and *"customer-oriented, innovative delivery of administrative and information services, acquisitions and assistance."*

The Office of Food for Peace's parent bureau, the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA), is also developing a Bureau-wide strategic "Planning Framework" that will impact FFP coordination with other offices in the Bureau. The Title II program will be expected to assist the Bureau as it addresses the problems of fragile, failed and failing states, the main focus of the Bureau in its Planning Framework for 2003 – 2008.

III.C. Office of Food for Peace Strategic Plan

The Office of Food for Peace has recently developed a thorough and well-focused Concept Paper to manage the PL 480 Title II program. The Concept Paper provides the basis for a five-year strategy beginning in Fiscal Year 2004. It describes FFP's future vision and draws upon many years of experience in program administration by FFP and its partners.

The Concept Paper, which is nearing final approval, clearly describes the impact of external and internal influences on the Title II Program and FFP. Its "situation analysis" covers programmatic influences, changes in FFP's operating environment, the role of external stakeholders, Congress and legislation, and Executive Branch, and USAID policies.

A proposed new strategic objective – "to reduce food insecurity in vulnerable populations" – eliminates the concept of separate objectives for Title II emergency and "development" programs. As such, it encourages FFP and its partners to undertake programming that addresses the root causes of emergencies while sustaining development progress. In this way, FFP is clearly focusing on "higher order results" that will require a commitment to a "more active global leadership role" in the future.

The strategy's intended results – enhancing FFP's "global leadership," and increasing Title II program impact in the field – cannot be achieved without major attention to streamlining. Indeed, the Strategic Framework for the new strategy is based upon a key intermediate result – "*Timely and efficient program management achieved.*" As the Concept Paper notes, "This strategic approach calls for major management improvement and innovation." Adoption of the Strategic Plan for 2004-2008 must be accompanied by a commitment to the resources and resolve necessary to achieve those major management improvements and innovations.

III.D. FFP Response to Influences

The Agency and the leadership of Title II have done much to anticipate and deal with unique influences over the past 18 months, and the Office of Food for Peace has developed an excellent strategy for its role in implementing the program over the next five years. However, as the Agency moves to adopt that strategy, it must turn its attention to a management focus for Title II that creates and sustains far greater program efficiency, while at the same time continuing to respond to external mandates and influences.

IV. Data Collection

This section of the Report describes the information gathered from key stakeholders engaged in Title II based on a wide variety of methods and sources.[4] Each of these is discussed below:

- Documentation review
- Title II and USAID input
- Partner Input (Cooperating Sponsors)
- FACG/General Issues Working Group input
- Survey feedback
- DCHA input
- Other input

IV.A. Documentation Review

In accordance with the SOW, the consultants conducted an extensive review of written documentation to understand relevant USAID policy guidelines and procedures. (For a complete list of documents reviewed, See Annex C.) A sampling of major documents used in this review included:

Regulation and ADS Guidance: the Farm Security and Rural Investment Act of 2002, 22 CFR 211, 22 CFR 226, and Handbook 9; ADS 596, Management Accountability and Control; ADS 308, Grants and Cooperative Agreements.

Non-Emergency/Development: the Monetization Field manual, the Development Assistance Program (DAP) Proposal Guidelines, the Cooperating Sponsor Results Report and Resource Request Guidelines, the Development Program Policies (Policy Letter), the DP boilerplate transfer authorization and standard provisions; USAID Plan for Rationalization of PL 480 Title II Monetization Resources.

Strategic Planning: The Food for Peace Strategic Plan Concept Paper; the DCHA Strategic Planning Framework; the Department of State/USAID Strategic Plan.

Emergency: Emergency Proposal Guidelines, ITSH Guidelines, the EP boilerplate transfer authorization and standard provisions.

Other Agency Documents: USDA/FAS guidelines and application; OFDA grant application and guidelines; PPC Guidance for Bureau Program and Budget Submissions for FY 2005; USAID's Annual Report Guidance for FY 2003.

[4] Note: This Section of the Report contains certain conclusions and suggestions for action that logically flow from the topics being discussed. While they are included here to provide context, they are repeated, as appropriate, as formal findings and recommendations in Sections VI and VII.

IV.B. Title II & USAID Input

FFP Senior Management Input

Senior FFP management had varying views on streamlining. These views ranged from seeing an urgent need for significant improvement in overall management systems and support, to a perception that most issues could be resolved simply by providing significantly more staff training. Some managers saw the immediate need for increased personnel, while others were more concerned with employing staff with the "right" skills, performing the "right" function, and with clear responsibilities.

All senior managers recognized the need for improvements in program implementation, particularly changes that would address delays in program approvals and commodity ordering. Opinions differed however, on the severity of change and methods to achieve improvements. Some managers were also less informed than others about day-to-day activities in their areas of responsibility that contributed to delay or inefficiency. Some were also more concerned than others about stakeholder views.

Senior managers also expressed concern about inadequate time for maintaining external relationships (outside of FFP) and limitations on travel to field programs for both management and staff. Some cited this inability to travel as a key reason for communication difficulties with field offices.

All senior managers agreed on the need for substantially increased training of staff in FFP as well as in the field. They cited inadequate staff preparation and inadequate understanding of the program as major impediments in efficiency.

Clearly FFP senior managers are very concerned about efficiencies in work completion for both management and staff. However, it is equally clear that they feel constrained by "too much to do" while lacking the resources and support they need to bring about those efficiencies.

FFP Washington Staff Input

During the course of this assessment, the ERG/TCR team met extensively with the staff of FFP and its institutional support contractor, AMEX International. The consultants interviewed several staff from each Division and observed and documented actual day-to-day workload, functions, and job duties.

FFP staff consists of USAID direct hire personnel, Foreign Service personnel, personal service contractors, NEPS, Fellows, and interns. While this diversity is useful for information exchange, it is also limiting. A staff member's employment status may determine what tools and resources they have in order to do their job (such as approval authority, NMS/Phoenix role, and access to key information sources). Without exception, all FFP staff expressed concern (and even exasperation) about a lack of formal training provided by FFP and limited time to learn how to perform job duties correctly.

Highlights of FFP/Washington staff comments and suggestions include:

- Dispense with the annual reviews of approved programs. Leave implementation to the field.

- DCHA/FFP staff need to be seen more frequently in the field, by Mission staff and partners. Organize regional traveling teams with subject matter experts (SMEs) to visit the geographical regions and selected country offices. This would improve communication and enable greater consistency in program implementation.

- Let CSs handle call forwards directly to USDA for approved programs.

- DCHA/FFP has been unwilling to formally re-delegate CTO responsibilities to Mission staff. If formal re-delegation of CTO responsibilities could be given to Mission staff, it should be done immediately. Mission staff could still liaise w/CSs, monitor activities and evaluations, and ensure that annual reporting is performed in a timely fashion.

- The Food for Peace Information System (FFPIS) can only be accessed by a few people, which often results in delays in getting much-needed reports. Several additional staff should be authorized to enter data into the system, and Country Backstop Officers (CBOs) should be able to view and print standard reports.

- In light of the new authority to pay ITSH for Development programs in LDCs and the need to scale back monetization, FFP needs to issue guidance for broad distribution with respect to programming ITSH, 202(e), and monetization proceeds.

- A definition is needed for developmental/relief and a framework for the design, implementation, approval process, and evaluation of developmental/relief programs.

- Establish FFP regional offices to manage regional activities similarly to OFDA. This would increase FFP visibility, access, and help to ensure consistency in operational procedures among Missions.

- Improve working conditions of DCHA/FFP staff. In Washington, ensure adequate working space, meeting/conference rooms for FFP staff, and seek closer collaboration and coordination with CSs. Proactively plan US visits to CS headquarters by FFP staff.

- Reverse the concept of strategic plan integration, i.e. seeking greater integration of FFP activities with overall Mission strategies. This entails considerable additional planning and reporting and makes less sense if the FFP goal is "failed and failing and fragile states." In that case, report instead against the FFP Agency-wide strategic objective, IRs and indicators, not Mission IRs.

- Improve-information sharing. Distribute and share summary reports of DCHA/FFP meetings with Interaction, PVO groups, and field Missions.

- Equip FFP/Washington with an information unit and model staffing on OFDA. With a $1.2 billion budget, this is essential. This unit could also be responsible for general communications with partners.

- Train, train, train – not only for new hires, but support relevant continuous training and ongoing professional development.

- Approve and finalize individual development and training plans for each staff member.

Survey Feedback: Streamlining Suggestions: In the streamlining survey, FFP staff were asked the following question: *"In brief, what are the top 3 suggestions you have to improve the consistency, effectiveness, efficiency, and timeliness of the USAID review & approval of emergency & DAP proposals?"*

Their responses are provided in Figure 1 on the following page. (See Annex F for details.)

Figure 1: Streamlining Suggestions from FFP Washington Staff
(Source: Streamlining Surveys, Spring 2003)

Review Process:
- Reduce approval documentation
- More organized review process for DAPs
- No last minute addition to DAP reviews
- Wide audience of reviewers
- Substantially reduce DAP review/approval process
- A simplified system of clearances and approvals
- Start DAP reviews when DAP rec'd.
- Have reg. Scheduled 'approval meeting times
- Faster review by field missions
- Faster review by CBOs
- More rapid reviews
- Only 1 or 2 draft apprl docs, not all CBOs - POD?
- Conduct competitive reviews of proposals.

Guidelines:
- Reduce guideline procedures
- Put FFP EP budget guidelines on web

PVOs:
- PVOs submit well written/fundable proposals
- Base grant allocations on PVO results achieved.
- PVO training on USAID expectations re budgets

Personnel:
- Greater use of technical expertise and suggestions
- Hire more CBOS on the DP side
- Better PVO/WFP negotiation & settlement skills
- More experience
- More staff, so CBOS can know DAPs better
- Need more staff to evaluate projects.

Workload:
- Delegate Authority to Dep. Dir. FFP to Approve TAs
- Redelegate authority to CBOs & Team Leaders
- Have meetings limited by staff
- More work, and less talkabouts
- Support staff should do paperwork
- Leave the major decisions to professional CBOs
- Better task planning ref. annual cycle

Management:
- Written SOPs
- Communication w/all involved
- Ongoing training
- Improved internal communication on interpretations of legislation, guidelines and policies

Training:
- Provide training in the DAP review process
- Fully train all new staff immediately
- Better guidelines & training of CBOs on process
- Train POD in emergency programs

Systems:
- Improve existing systems & use of e-management
- Replace FFPIS w system that is accessible to all
- Better system than FFPIS
- User-friendly re-vamp of FFPIS

WFP:
- Allow Faxed WFP Signature on TA to Suffice
- WFP Maintains Current Pipeline Reports on Web

Proposal Submissions:
- Electronic submission of proposals

Timing:
- Sensible deadline dates
- Postpone the submission date - 11/1 is a bad date
- Lay out timeline for actions
- Speedy way to approval emergency programs
- Budget review should be done in shorter timeframe

Policy:
- Update draft policies into final form
- Have one single policy book in 1 place

Survey Feedback: FFP/Washington: Training Requests: As mentioned above, FFP staff unanimously expressed a critical need for training throughout the Office. The following are the responses to the streamlining survey item: "*Please list the training topics that would be most beneficial to you in performing your Title II-related job duties."* (See Annex F for details.)

Figure 2: Training Topics Requested by FFP Washington Staff
(Source: Streamlining Surveys, Spring 2003)

1. Nuts and Bolts of Emergency Food Aid
2. Methodology for Conducting Food Sec. Needs Assess.
3. Monetization Guidelines
4. Role of Food Aid/Food Security in Development
5. Comprehensive Course for Food for Peace Officers
6. NMS/Phoenix
7. Intro to CBO duties
8. Title II program/technical related areas
9. Title II and FFP Policies
10. The Legislative Issues of Title II
11. Approval documentation
12. TAs/Action Memo Process
13. POD/Shipping Procedures
14. *Budget Review (how it works in the whole office)
15. Pipeline/budget
16. *Proposal Review
17. *Developmental Relief
18. *DAP Process
19. *Food Aid Managers Course
20. Practical Situations: Case Studies
21. Performing field assessments of DAPs
22. Group dynamics including norms
23. OFDA DART courses
24. FMFIA
25. *AERs (to better read/understand line items)
26. *WFP 101 and beyond
27. Update on Development Programs
28. Monetization and Cost Recovery
29. Indicators Training
30. Policy/Technical Overview from FANTA
31. FFP Policy for Development
32. FFP Policy for Emergency

* *indicates topics cited by multiple respondents*

FFP Mission / Field Staff Input

The ERG/TCR team had the opportunity to meet with visiting FFP Officers from field posts and to correspond with others. Common themes in all discussions included the following:

- ***Delegation Of Authority***: Many field staff believe that once a program is approved, FFP/W should withdraw from implementation matters: *"Staff in the field should have the authority to make implementation decisions and report to FFP/W*." Some suggested moving towards the level of authority similar to that of DA-funded programs, in which the focus is on the result and the field has the authority to modify activities to achieve that result. However, changing an objective would require Washington approval.

- ***Commodity Reporting***: FFP must have a better electronic commodity tracking system. Independent systems have already been developed in the field because FFPIS is inaccurate and inadequate. There is a need for a comprehensive system like the COMPAS system developed by WFP.

- ***Commodity Management***: Field staff should have the authority to authorize commodity transfers, not just loans. A commodity transfer becomes a major issue in Washington and requires agreement modifications. Once commodities are allocated to a country, the PVOs together with the FFP field staff should manage the commodities. If a commodity transfer is required, it would be accounted for as a sub-grant. The agency which has the food available becomes the implementing partner to the agency who has the program. Thus, there would not be a need to modify agreements. FFP/W spends too much time with tedious modifications for small resource amounts that require too much work, further stretching FFP/W capacity.

- ***Budget Issues***: Changes to a budget within an authorized amount and honoring the split between direct and indirect costs should be approved in the field. Once FFP/W has agreed to the overall amount, they should not be involved in such details. FFP/W should be informed of changes but should leave the decision-making to the field.

- ***ITSH vs. 202(e)***: Field staff all agree that clarification is needed on the coverage of this funding. Several noted the enormous amount of time that goes into constructing a budget with ITSH, 202(e), monetization, other grantee funds, other donors, and host government contributions. They argue that by having more straight forward budgets (and perhaps paying too much or too little "here and there"), USAID would save much more on staff costs when proposal review time comes around.

- ***WFP Contracts***: Several field staff commented that WFP contracts with American and other NGO's are inadequately funded. NGOs complain that WFP passes on too small a portion of their funding with the food. They suggest that FFP should discuss with WFP how they could better harmonize the ITSH rates.

- ***CSR4 Submissions:*** Staff suggested the inclusion of more background in the CSR4 submissions to explain how IPTT (Indicator Performance Tracking Table) data was collected, how targets were set, and how indicators were defined (i.e. actual numbers, and definition of general terms). Examples of the impact of the project on food security would be very useful. It was also suggested to develop a formal mechanism to provide feedback to PVOs on CSR4 submissions.

Survey Feedback: Training Requests by FFP Field/Mission: Like FFP/Washington staff, FFP field staff also expressed a critical need for training. The following are their suggested training topics as provided in the streamlining survey:

Figure 3: Training Topics Requested by FFP Field/Mission Staff
(Source: Streamlining Surveys, Spring 2003)

1. annual/bi annual refresher
2. on "what's new" in Title II
3. Case studies, successful programs.
4. Food Security Synergies / proposal design
5. FFP Officer's course
6. FFP policy update course
7. Overseeing FFP
8. Bellmon and other marketing considerations
9. relative roles of USDA and USAID in food aid
10. Coordination of USDA and FFP Programs
11. Differences between USDA and FFP Programs
12. Planning Cycle for FFP programs
13. TAs
14. Food Aid Manager's course (5)
15. Monetization Training (8)
16. Technical review of the DAP - finance/ m&e
17. NEP training
18. DAP Review/approval process & Guidelines (9)
19. CSR4 Guidelines
20. approval processes - who does what when
21. record keeping - what needs to be in files
22. efficient time management in FFP duties
23. Environmental Examination
24. UMRs
25. Formal review process
26. Famine Theory and Response
27. Title II Legislation, Reg. 11 and HB 9
28. Other Advanced Management Training
29. Developmental Relief Programs
30. TAP review processes
31. General Project Management
32. The workings/Nature of FFP/Washington Office
33. USG food aid programs
34. Grant management/Reg 11
35. EP proposal development/evaluation
36. Commodity/pipeline/TA process and management

(* *indicates # of times suggested topics were repeated)*

Survey Feedback: Field/Mission Suggestions to Improve Review/ Approval Process for FFP/Washington: Below are the FFP Field/Mission responses to the question: *What TOP THREE suggestions do you have to improve the consistency, effectiveness, efficiency, and timeliness of USAID WASHINGTON'S review & approval of emergency & DAP proposals?*

Figure 4: Suggestions for FFP/Washington from FFP Field/Mission Staff
(Source: Streamlining Surveys, Spring 2003)

1. Consider saying NO (not no-but)
2. Clear criteria and guidelines established, including Missions
3. No more than one review session
4. Visit the field by officers to understand realities (3)
5. Don't change rules during the submission process
6. Make sure bureaus & Mission understand the DAP guidance
7. Regular e-mail updates on process & timetable for decisions
8. Streamline with the rest of OP
9. Move program approval process to the field (3)
10. Take Washington out of program issues
11. Better coordination with Mission/field reviewers
12. Periodic update/training workshops
13. Include the Mission technical staff for the review
14. Keep in touch with missions and PVO's HQ
15. Tenure of CBOs should not be very short
16. Measurement of the program impact in the field
17. Interaction with international community
18. Fewer clearances required
19. Rely more on mission comments and recommendations
20. More staff (2)
21. Standard process for all regions
22. Farm out review preparation
23. Don't second guess everything
24. Need USDH FSO in emergency programs
25. Teamwork with the Mission
26. Streamlined guidelines
27. Better communication with FFP/W and Missions (2)
28. Provide budget ceilings early
29. Respect Missions' comments
30. Respect FSNs in Missions
31. Streamline the process.
32. Use of Internet review mechanisms
33. More involvement of officers
34. More inter-Agency dialogue by FFP
35. Define tasks and management responsibilities
36. Push necessary information to field in timely way

Survey Feedback: Suggestions to Improve Review/Approval Process in Missions: The following are the FFP Field/Mission responses to the survey question: *In brief, what are the top 3 suggestions you have to improve the consistency, effectiveness, efficiency, and timeliness of YOUR MISSION'S review & approval of emergency & DAP proposals?*

Figure 5: Suggestions to Improve FFP Field/Missions
(Source: Streamlining Surveys, Spring 2003)

1. pre - identify review "team
2. For new Mission authorities, good knowledge of Title II programs.
3. Consistency in guidance
4. Minimal changes while in process
5. Don't change rules midstream
6. Delegation of more responsibility to the field; move approvals to the field
7. Better knowledge of cycle for submission of proposals
8. have it any time of year; stagger them so not all end on Sept 30
9. make it compatible with the rest of OP
10. More field Staff
11. More responsiveness from Washington
12. Additional staff support & training
13. Better coordination with USAID/W reviewers
14. More Partners meetings
15. CBO's visits
16. Good MTE
17. DAP and relevant guidelines are issued timely
18. Mission and FFP exchange visits
19. CSs are well informed of the Mission strategies.
20. easy access to FFPIS information
21. info meetings for CS prior to submission
22. schedule reviews well in advance
23. make it an important action for the program office
24. Team work with Washington
25. Streamlined guidelines and process
26. Additional staff
27. Better commun./coord. between FFP/DP and EP
28. FFP to give budget ceilings for DAPs in advance
29. FFP to avoid direct talks w/ PVO w/out Mission
30. FFP approval within 60 days
31. Use the Internet more for "virtual" review.
32. Effective workload management
33. Timely interaction/feedback with Washington
34. Enhance technical skills

IV.C. Partner Input (Cooperating Sponsors)

In the SOW, the ERG/TCR team was asked to:

> "*Gather input from partners to methodically and thoroughly discuss related issues as well as to listen to their concerns and thoughts on parts of the process that are operating effectively, regarding the implementation of food aid assistance. This would also include discussion of internal Private Voluntary Organization (PVO) systems including decentralization and identify areas of improvement."*

The ERG/TCR team found that "partner" reaction to the above statement was largely indignation, annoyance and exasperation. Many PVOs chafe at the term "partner," citing attitudes within FFP and in field missions that cast them as contractors being told what to do, rather than as "partners." Many PVO representatives were quick to acknowledge individual dedication and a willingness to help on the part of many FFP and USAID field officials. They also noted appreciation for FARES, shorter "issues letters" sent during the last DAP review cycle, and FFP's obvious commitment to meeting emergency needs. However, PVOs had little to offer on *"parts of the process that are operating effectively."* Many felt that FFP officials, while dedicated, ultimately appeared powerless to make badly needed changes.

Primary concerns reported by PVO contacts included:

- ***Failure of FFP to comply fully with the 120 day legislative requirement for the DAP approval process**:* PVOs reported receiving "approval" letters on February 28, 2003 and waiting until the end of June for formal approval and signed funding documents (for proposals submitted November 1, 2002).

- ***There is a growing consensus among PVOs for adjusting the submission deadlines for CSR4s and DAPs***. Current, both Results Reports and DAPs are due on November 1, just one month after the end of the fiscal year. While this is a challenge, PVOs understand that FFP needs the programmatic results for Congressional reporting purposes. Providing accurate financial reporting on November 1st for the prior fiscal year is extremely difficult. PVOs know that adjustments to AERs and Resource Requests often result from this early deadline.

- ***Excessive Delays***: During the review period for both emergency and development proposals, many PVOs reported an endless "back and forth" of questions, requests for additional information, revised budgets, more questions, and even lost proposals that had to be replaced. The consultants were provided numerous examples of delays due to last minute questions from FFP on proposals that were supposedly already "approved," or delays on budget approvals due to unnecessary minutiae (such as requests to change formatting, spelling, and grammar).

- ***Policies being articulated without prior consultation:*** The "USAID Plan For Rationalization PL 480 Title II Monetization Resources" was frequently cited as well as the late issuance of DAP "policy letter." A current issue is unclear USAID interpretation of the use of 202(e) and ITSH funding.

- ***Being "forced" into emergency Consortia activities with "little guidance up front" and "too many questions afterward."*** PVOs identified issues relating to excessive budget documentation and requirements to "integrate" programs with other PVO's/NGO's. These excessive requirements prolonged the program design and approval process, especially since PVOs were given little concrete guidance.

- ***Many PVO representatives believe there is a "disconnect" between FFP/Washington and USAID field missions***. They cite differing review criteria, conflicting interpretation of regulations, and lack of communication between Washington and field offices as indications of several problems. They note that often field offices have inadequate information on commodity issues. What they see as minor program changes are too often referred back to Washington for decision.

- ***Restricted "Management Units":*** PVOs have been told in the past that FFP has capped at 75 per year the number of "management units" for world-wide programs. PVO's consider this cap to be an artificial restriction on program development and initiatives.

- ***WFP vs. PVO Approach***: There is continuing concern about what many PVOs see as a different standard for Title II donations to the World Food Program. They cite the apparent ease of approval for WFP Title II emergency programs compared to the extensive and time-consuming process that PVOs must "endure." They also note that the Transfer Authorization process for WFP is very streamlined with limited documentation for very large transfers of resources. They question why that approach is not applied to PVO activities, especially those managed by organizations with 20-50 years of food aid experience.

- ***It should be noted that considerable PVO staff time and PVO costs are incurred prior to the formulation of a DAP based on DCHA/FFP guidelines***. There is no provision to pay for such up-front costs. A US-registered non-profit has few unrestricted funds to spare.

- ***Consolidated DAP Submission***: The DAP Guidelines recommend consolidated DAP submission. However, this poses practical difficulties because the proposal will be submitted with a single Cooperating Sponsor as the lead agency with the others acting as sub-recipients. This complicates budget formulations, especially indirect cost recovery and staffing patterns.

- ***Excessive Questioning at the time of Commodity Ordering***: PVOs report receiving repeated questions on commodity orders for programs they believed were already "approved," leading to missed calls forward and later cash and commodity shortages.

- ***Abuse of "Threshold" Definitions:*** PVOs consider resolution of "threshold" questions to be the key determining factor in the proposal review process. However, several PVOs report receiving "threshold" questions long after they thought the approval was complete. This leads to further delays and program disruption.

Survey Feedback: Streamlining Suggestions from PVOs: PVOs were asked the following question: *In brief, what are the top 3 suggestions you have to improve the consistency, effectiveness, efficiency, and timeliness of the USAID REVIEW & APPROVAL of emergency & DAP proposals?* Their responses are as follows:

Figure 6: Suggestions from PVOs on Streamlining Review/Approval Process, Part 1
(Source: Streamlining Surveys, Spring 2003)

1. Stop using consortia as a first resort.
2. Utilize actual c & f figures to track allocations.
3. Reduce number of signatories required to approve
4. Reduce detail; allow annual submission of some info
5. Improve FFP info system
6. Train & empower CBOs; reduce # sign-offs
7. On-line submission process and format (5)
8. Electronic report formats
9. Effective collaboration between mission and FFP
10. Sufficient time for participatory need assessments
11. The need for technical review staff in FFP
12. limit FFP comment cycles
13. quicker issue of issues letter
14. ensure mission and FFP-W reps present at review
15. problem specific responses; no food dumping
16. provide DA assistance to complement
17. review & provide feedback on reports
18. Decentralized authority
19. Decentralized authority for non-US vehicles
20. Stop the micro-management by OMB
21. Set a limit (preferably 90 days)
22. Improved communication w/ PVOs
23. Consistency between Wash and Mission
24. Review and approval in short time
25. Complameint with monetization for emergency
26. Respect the program dates for shipping
27. more group meetings w/ FFP/W&local, PVO/local&HQ
28. direct discussions with PVO field offices
29. Treat PVOs the same as WFP
30. Response within 5 days on all questions
31. set a 20 page limit for all DAP applications
32. Commitment
33. Communication
34. Coordination
35. Define critical budget and program areas
36. Do not micro-manage / Local Mission not to micromanage
37. Install tech sys. for finance and commodity
38. Explicit expectations (e.g. distribution levels)
39. Consistency between mission and HQ positions
40. Not too much change on personnel
41. Have the FFP officer very well trained

Figure 7: Suggestions from PVOs on Streamlining Review/Approval Process, Part 2
(Source: Streamlining Surveys, Spring 2003)

42. Improving communications: Mission and FFP/DC
42. Approve on time
43. Define threshold issues for DAP approval
44. Train FFP staff in criteria for DAP approval
45. Shorten DAP proposal requirements
46. Maintain same guidance from year to year
47. Reduce requirements for follow-on DAPS
48. Minimize number of times revision of doc requested
49. Listen to the small PVOs as well
50. Read proposals and identify positive factors
51. Work in a collaborative style
52. Clear policy lines from Wash and local Mission
53. Less bureaucratic details
54. More support from local Mission
55. Better coordination between Missions and Wash/FFP
56. Clear expectations on levels/budgets
57. Clear guidelines
58. Direct advice from USAID Mission
59. Weekly notice that review process is still going
60. Decrease number of approval steps
61. Block grants
62. More decision making in the field missions
63. Institute process to expand eligible commodities
64. Make ALL review processes transparent
65. Improve commodity quality control
66. More collaboration with smaller NGOS
67. Monitor inefficiencies and take action
68. Standardize impact indicators
69. When an emergency is declared, the US gov't should authorize local purchases

IV.D. FACG/General Issues Working Group Input

The ERG/TCR team used the "General Issues Working Group" (GIG) of the Food Aid Consultative Group as a primary contact for reviewing and confirming the views and ideas of Title II partners and stakeholders. The views and commentary of the GIG members echoed those of other stakeholders. Their key concerns were excessive process, lack of closure, chronic delays, and the need for early consultation on policy issues. Based on a wide range of individual stakeholder discussions, preliminary findings and potential suggestions for streamlining were discussed informally with the GIG. Individual GIG members were also consulted on specific process and systems issues. They provided helpful background documentation and program examples. A debriefing for stakeholders on this Final Report is planned via the GIG.

IV.E. DCHA Input

Through discussions with representatives of other offices within the DCHA Bureau, it is apparent that the sheer size and complexity of the Title II program gives FFP a "stand alone" identity within the Bureau. The Office's closest programmatic links within the Bureau are to the Office of Foreign Disaster Assistance (OFDA). However, that relationship is usually focused on emergency program requests which require a combination of OFDA cash assistance and Title II food. Unlike FFP, OFDA maintains and funds its own field staff, has an established training program, and backstops its program activities with proven communication capabilities.

While potential exists for shared training programs, more formalized information exchange, and mutual support activities, that potential has yet to be realized. Some Bureau representatives suggested that the new focus on failing, failed and fragile states may be a common rationale for greater coordination and joint training. The Bureau strategy framework could be a starting point for such coordinated activities.

IV.F. Other Input

General Counsel: In discussions with the USAID Office of The General Counsel, the GC representative expressed concern about the serious delay in revising and updating USAID regulation 11 (22 CFR 211). In addition, there was concern that "Handbook Nine" was still in circulation, a guidance document used over 20 years ago.

Regarding the "120 Day Rule" (mentioned in the PL 480 legislation), GC defines this as including issuance of final funding documentation, not just issuance of an "approval letter." GC made clear that FFP cannot "determine" it will accept a proposal just to meet the 120 day deadline with major issues left to be resolved and negotiated. **The recommended rule of thumb should be that all required documentation is signed and funding obligated by day 120 as the rule, not the exception.**

Office of Program Policy Coordination (PPC): PPC is responsible for overall coordination of Agency budgeting and policy development. PPC officials are more

knowledgeable about Title II than other major offices outside FFP. However, they also noted their lack of familiarity with day-to-day FFP activities and expressed the view that more authority and responsibility for program review and approval should be with the field missions. PPC officials acknowledge the complexity of budgeting for Title II funds and commodities within the Agency's system and the additional workload for budgeting of FFP. However, they foresaw no changes in Agency requirements that would ease this burden. In their view, FFP must respond to Agency requirements as do other Offices.

USDA/FAS: The ERG/TCR team met with officials of the Department of Agriculture's Foreign Agriculture service to examine USDA's on-line proposal submission process and review of food aid procedures. The consultants reviewed proposal formats and data flow for the Food For Progress program, Section 416(b) program, and the Food For Education program. USDA officials also provided a copy of their technical "streamlining" report focusing on re-engineering their automated systems. USDA's on-line proposal submissions format is a good model for FFP to examine. Several aspects of USDA's guidelines and proposal formats should be considered for replication in Title II.

Commodity Industries: The consultants conducted extensive discussions with representatives from commodity industries. Commodity suppliers are particularly concerned about a "feast or famine" situation in which long periods of delay occur, pending program approval, with approvals "bunched" near the end of the fiscal year. This situation is not limited to Title II - it also occurs with USDA programs. Suppliers note that waiting long periods for prospective orders disrupts and sometimes eliminates their production capabilities and narrows an already limited competitive market. One supplier described the close-down of a processing plant with the loss of 30 jobs. When commodity orders do occur, they require suppliers to produce large amounts in short periods of time, with increasing commodity and labor costs.

Several commodity suppliers were quite outspoken in their criticism of FFP's reliance on outdated prices. This leads to misunderstandings on budget availability and missed marketing opportunities. Commodity representatives also repeatedly voiced their view that the Office of Management and Budget micromanaged the Title II Program.

Freight Services: A similar situation exists with freight services. Regular vessel availability for movement of Title II cargoes is significantly disrupted when large amounts of commodities are purchased near the end of the fiscal year and "bunched" for shipment. With the requirement for 75% movement of all U.S. food aid on U.S. Flag vessels, plus the limited availability of such vessels, this "bunching" creates high demand and higher freight rates.

An initial review of commodity prices from September 2001 to May 2003 reveals obvious price increases in certain commodities in the July, August, September period as compared to January, February. While the amount of increase varies according to commodity, a preliminary estimate is that **delayed orders and consequent "bunching" of commodity purchases creates at least a 5-7% increase annually in the cost of certain basic commodities.** Even with a 5% increase, **the cost to the Title II program could easily be in excess of $20 million per year.**[5] A more thorough review of

[5] Source: Consultant review of KCCO monthly purchase data from September 2001 through May 2003.

commodity and freight price factors is needed; however, a leveling of certain commodity and freight purchases will clearly benefit the program.

V. Process Review and Systems Analysis[6]

V.A. Current Systems Improvement Initiatives

During the course of this assessment, the consultants learned of several systems improvement initiatives that are currently underway at USAID. FFP is expected to benefit from these either directly or indirectly in the next few years.

Food Aid Agreement System (FAAS)

The Food Aid Agreement Entry System (FAAS) is envisioned as part of a fully automated Commodity Operations System.[7] As a first step in its development, a Technical Requirements Matrix has been drafted for FAAS Phase I which will help define its eventual design and full development. When fully operational, it is envisioned that FAAS would:

- Allow PVO and WFP to enter agreement information electronically
- Allow USAID to review and approve/disapprove agreements
- Interface with FAS FADS system (at USDA)
- Show information such as how much of a commodity has been called forward to parties of agreement

While FAAS is expected to be a major advancement in electronic commodity management, the timeframe for FAAS development has yet to be determined.

FARES II:

(See a discussion of FARES progress to date in section II.D.)

FARES Phase II would allow commodity orders to be sent electronically from existing PVO/WFP systems. It is a USDA system, and would not be usable or applicable for FFP's proposal review and approval process. While it will greatly improve the food order process, **FARES II is not a replacement for FFPIS**, as is mistakenly believed by some at FFP.

[6] Note: This Section contains certain conclusions and suggestions for action that logically flow from the topics being discussed. While they are included here to provide context, they are repeated, as appropriate, as formal findings and recommendations in Sections VI and VII.

[7] The source for information on the Commodity Operations System in this report is from a presentation by USDA/FFP at the Export Food Aid Conference, Kansas City, April 2003.

The timeframe for release of FARES II has yet to be determined. However it is planned for phase three of Commodity Operations System development. WFP is expected to be the pilot. On completion, it is envisioned that FARES II would:

- Allow PVO and WFP to enter commodity order information electronically
- Allow USAID and USDA to review and approve/disapprove requests
- KCCO would stage invitations based on at-port dates.
- Reduce errors in agreements due to automated entry at point of origin
- Enable on-line communication with comment fields
- Make Agreement information available on-line, resulting in the ability to track requests against agreements to determine how much commodity was actually called forward
- Accept electronic Food Orders from PVOs and WFP

Upgrade to NMS/Phoenix

The Executive office of USAID's Office of Procurement plans to improve the NMS system. The plan is to replace NMS and find a solution to interface with Phoenix which will be deployed overseas by 2004. A limiting factor in future development is that any new system must be able to integrate with State Department systems. So far, it has taken two years to map the "as is" system. It may yet take several years to realize complete system upgrades Agency-wide.

E-Government Grants Initiative

In his February 2002 budget submission to Congress, President Bush outlined a management agenda for making government more focused on citizens and results which includes expanding Electronic Government ("E-Government"). This project will produce a simple, unified "storefront" for all federal grant applicants to electronically find opportunities, apply, and manage grants.

In compliance with this initiative, **all US Government Agencies must be able to process on-line submissions of grant proposals by October 1.** This will be done via the internet portal www.grants.gov. Grantees looking for funding opportunities will access the portal and choose from two modes: "find" and "apply." The "find" mode is currently fully operational at USAID. A search in "find" mode will yield standard synopses and full announcements of grants opportunities. A potential applicant will complete an on-line application to become a "trusted broker." Once this status is confirmed, the applicant will use the "apply" mode to submit a grant application electronically. To comply with the mandate, the "apply" mode should be operational by October 1. This initiative provides an opportunity for FFP to begin testing on-line posting of proposal guidelines and receipt of on-line proposal submissions.

V.B. Process Reviews

As part of their scope of work, the consultants were asked to conduct process reviews that identified opportunities for improvements in the implementation of Title II. As such, **the process reviews included both development (DP) and emergency programs (EP)**, as well as workflow between these program areas and the Program Operations Division (POD). The methodology used is detailed in Section II.C. ERG/TCR Approach.

Based on consultation with senior management**, this process review focused on internal process issues over which FFP has control and therefore has the ability to change.** Each of these aspects of the Title II grant approval process is discussed below:

- DAP Proposal Guidelines
- DAP Proposal Format ("Applications")
- Data Elements Required for DAPs
- Emergency Proposal Guidelines & Process
- Policy Guidance
- Proposal Review Steps
- Compliance with 120 Day DAP Approval Deadline
- Implications on Workload
- Proposal Tracking

In addition there follows a discussion of process bottlenecks, duplications, and gaps, and comparisons of FFP with OFDA's and USDA's guidelines and proposal formats.

DAP Proposal "Guidelines"

The "DAP Guidelines" for the PL 480 Title II program comprise over 80 pages of narrative, Annexes, proposal formats, appendices, and tables. It consists of both guidance for how to submit proposals and the proposal "application" itself. What is entitled the "DAP Guidelines" is actually an 8 page section of "guidelines," with a remaining 6 annexes 4 appendices. Annex A is called the "Proposal Format" and this, plus the other annexes and appendices, are considered to be the full proposal format.

From an outsider's perspective, this can be confusing, since nowhere is the term "DAP Application" actually used. *For purposes of this Report, the consultants will generally distinguish between the "guidance" section as the "Guidelines" and the "Proposal Format" sections of the DAP Guidelines as the "DAP Application."*

The DAP Proposal Guidelines are excessively long, hard to follow, and non-user friendly. They also include a number of incomplete references. For example:

- FFP fails to make a clear distinction between **guidelines** and the actual **application.**

- Several links provided in the on-line DAP Guidelines posted on the internet[8] do not function properly or yield a "file not found" error message (such as the link mentioned page 6 cited for *P.L. 480 Title II Monetization Field Manual*, *1985 Background Paper and Guide to Addressing Bellmon Amendment Concerns on Potential Food Aid Disincentives and Storage*, and the official USAID cable entitled, *Bellmon Certification Requirements for P.L. 480 Title II Activities.)*[9] There is also a problem with the link provided for closeout guidance.[10]

DAP Proposal Format ("Application")

The volume of documentation required in the DAP Proposal is highly intimidating. For example, Annex A *alone* has 13 sections and 8 Appendices. **The layout is also confusing**, as similar bits and pieces are required in different sections. For example, Section H asks for "narrative" about the Bellmon analysis and supporting statements, but the Actual Bellmon analysis must be included as Appendix G.

FFP does not currently have the capability for on-line submission of emergency or development proposals. Nor is it currently taking steps to comply with the E-Grants initiative by developing an on-line application. However, **by October 1, FFP will have to accept on-line proposal submissions in order to be in compliance with the President's E-Government Initiative.**

Data Elements Required for DAPs

As part of their process analysis, the Streamlining Consultants compiled a **Data Audit** of all the individual data requirements proscribed in the DAP Application. The raw list, with no content, totals seven pages and indicates **92 data elements**, based strictly on the DAP Application format. (See Annex L. Audit of DAP Proposal Submission.)

FFP staff commonly justify the arduous data elements required as due to burdensome US laws and regulations. The consultants attempted to determine to what extent these laws and regulations mandate these myriad data elements. To this end, the consultants analyzed the list of data elements to determine their source: whether US law or regulation, USAID policy, FFP policy, or simply "common" or "historical" practice by the Office.

On review, the consultants determined that:

- 41 or 45 % of data elements in the DAP Application appear to be required by law or regulation.

- 34 data elements (37%) appear to be driven by both USAID and FFP policy.

[8] Source: http://www.usaid.gov/hum_response/ffp/dap/dap4.docinternet
[9] http//www.usaid.gov/hum_response/ffp/monetiz.htm
[10] http://www.usaid.gov/hum_response/ffp/closout.html

- In addition, another 20 data elements (22 %) are unique to FFP policy – indicating that 59% of data elements overall are driven by FFP policy.

- 8 items were driven by common practice.

The above analysis implies that the majority of data elements are clearly driven by FFP policy, rather than by US law or regulation. Therefore, FFP has a much greater opportunity for streamlining the DAP application than is commonly understood.

Emergency Proposal Guidelines & Process

FFP's "PVO Guidelines for Title II Emergency Food Proposals and Reporting" are still noted on the USAID website as in "draft" form (and have remained in draft for some time). Even the supposedly "simpler" process for emergency proposals could benefit from the streamlining initiative. The draft guidelines are comprised of 53 major data elements in 21 pages.

Food for Peace internal guidance provides that the period from receipt of finalized emergency proposal to signed TA should be 21 days, yet this benchmark is often missed. In fact, excessive delays have occurred with emergency programs. Prominent among recent delays is a proposal for Eritrea that was subjected to a nearly **six month** process marked by inadequate responses, endless questions, lost proposals, and devotion to minutia. While FFP did finally succeed in making large amounts of food available to the region through commodity loans and other means, a FFP consultant and former FFP official described these programmatic delays as "tragic" in his report to USAID.

Policy Guidance

FFP has issued a "Policy Letter" each year along with the DAP Guidelines. From FFP's perspective, the Letter is an attempt to communicate new policy changes quickly to CSs separately without having to change the DAP Guidelines. Since policy changes more frequently than do application steps, this is seen as a good approach. However, issuing this separate Policy Letter has several negative implications on the process:

- From a user perspective, it is impractical to review and understand two separate documents (the Policy Letter and the DAP Guidelines) at the same time. This is especially true when the Policy Letter is issued much later than the guidelines. (A change in the law now requires both to be issued at the same time.)

- There is a disconnect between the Policy Letter and the DAP Guidelines. There are references in the Guidelines to the Policy Letter, but **little to no specific instruction or example for how the new policy impacts the application**. For example: *"Policy regarding allocation of monetization, Section 202(e) and non-emergency ITSH will be provided in the forthcoming policy letter"* (page 1).

- Similarly, the Policy Letter highlights changes in legislative and regulatory matters, and changes in Agency and FFP policies. However, **the Letter fails entirely to explain the implication of policy changes on the DAP application process.** Without guidance, the CSs are left to the trouble of deciphering the Policy Letter on their own.

- The Policy Letter is a highly bureaucratic document, densely laid out, and intimidating. The format for presenting this innately complex material to users must be simplified.

FFP needs to revisit the concept of the "Policy Letter." It is indicative of a highly bureaucratic approach which is not achieving its desired intent. Rather, policy changes should be reflected clearly in the guidelines.

Proposal Review

Processes are intended to be followed the same way each time to achieve the desired result. However the process of reaching an approval decision on a proposal is mainly the result of interpretation of policy arrived at through appropriate **judgment**. Since each individual's thought process is unique, the making of "interpretation" and "judgment" can not be dictated by guidelines. Thought processes are impossible to map in a workflow, as they stem from a series of judgments and interpretations. However, it can clearly be said that **the consultative process can be the lengthiest sub-step in the overall approval process.**

FFP staff report that policy is a "moving target." Budget levels have varied several times this year, sometimes dramatically. Even static policies are interpreted differently by different people for different situations, depending on their level of training, their in-country knowledge, or the depth of their institutional memory with Title II. When seeking guidance from team leaders and managers, inexperienced CBOs report receiving contrasting advice. In some cases, CBOs even report learning of policy changes or getting credible policy guidance from Cooperating Sponsors.

Compliance with 120 Day DAP Approval Deadline

As of June 30, 2003, none of the 17 DAPs received on November 1, 2002 had TAs approved and signed within the 120-day period mandated by Congress.[11] (Two of the DAPs submitted were rejected within this period.) This serious delay appears to be caused by a myriad of factors including:

- Work overload on November 1 (with CSR4s due on the same date)
- Lack of training for CBOs
- Delays in receiving FFPIS reports, cost sheets, and budget summary approvals

[11] This includes 15 DAPs, 1 Transitional Assistance program (TAP) which would be considered both Development and Emergency, and 1 Proposal for Consortium for Developmental Relief/Angola.

- Defects in proposal submissions by PVOs (omissions, inconsistencies, mistakes)
- Duplicative internal steps taken to verify data
- errors due to transferring data manually from one source/format to another
- Delays in obtaining approval signatures if key individuals are out of the office
- Time required for CBOs to physically "walk" TA packages around between 2 floors and 3 departments
- Delays in obligating funds in NMS/Phoenix due to cumbersome, multi-step obligation process (however, this USAID process is out of FFP's control)
- Delays for "interpretation" of policy, due to lack of clear policy guidance and training; often internal differences in interpretation take time to resolve
- Inconsistent formats between how data is submitted in proposals, how it must be entered into FFPIS, and how data is reviewed for approval
- Poor utilization of the Institutional Contractor to help reduce administrative burden

In addition, **there is not currently a consensus within FFP as to what exactly should be achieved within the 120 day proposal "approval" period.** Even the recent IG Report is unclear, stating merely that FFP "has 120 days to accept or reject" a proposal. **Currently, the DAP Guidelines are unclear regarding the definition of the 120 days window for program "approval**." The Guidelines now state: "FFP will reach a final decision (approve and negotiate a signed transfer authorization, or deny approval) on DAP proposals within 120 days of submission of a complete document to FFP" (page 1). However, later the Guidelines state: "By the end of the 120-day period, FFP will communicate the decision made regarding approval or denial of the proposal" (page 2). These are 2 different definitions.

It is the Consultants' understanding and belief that **within the 120 days the TA must either be rejected or the TA formally approved and funds obligated. FFP should hold itself to this more rigorous standard to be true to the spirit and intent of streamlining.** Management must clearly communicate this expectation to staff, document this in the proposal guidelines, and hold staff accountable for this goal - yet provide them with sufficient tools and resources to achieve it.

How Long Should DAP Reviews Take?

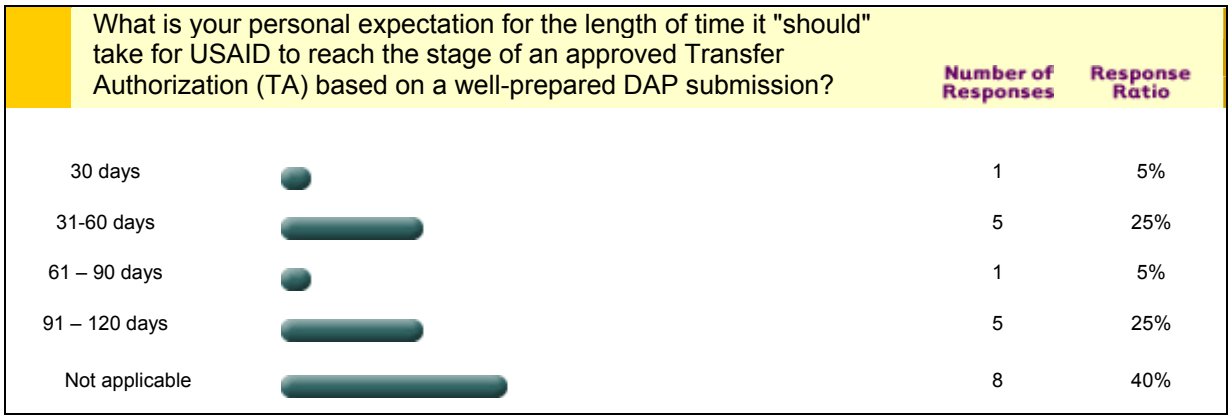
The time for each step in the DAP review process can vary tremendously depending on office priorities. For example, there are substeps involved: 1) review proposal for comments and issues; 2) conduct research if necessary to clarify an issue or resolve dispute; 3) respond to other reviewers' comments; and 4) wait for PVO responses.

Due to these variances, it is impossible to gauge the exact time needed to complete each substep in the review process. However, it is clear from the process review that the **"actual" process time it takes staff members to execute actions is minor compared to the excessive "time in queue" waiting for a critical input from others before actions can be completed**. Examples of critical inputs that staff "wait" for include: data items from FFPIS reports, approval signatures, decisions from management on a policy questions, budget approvals or action memos from POD, and endless feedback from missions, technical experts, and other proposal reviewers. Many times the critical input may be awaited from the PVOs as well.

As stated earlier in this Report, compliance with the legislative requirement to finalize a non-emergency proposal (including the approval of the TA document) should be a maximum of 120 days. While the current challenge is for FFP to meet the 120 day approval deadline (as the rule, not the exception), in fact the timeframe could and possibly should be even shorter.

In the Streamlining Surveys conducted, stakeholders were asked questions about the timing of DAP proposal reviews. Below is a summary of responses from FFP Washington.

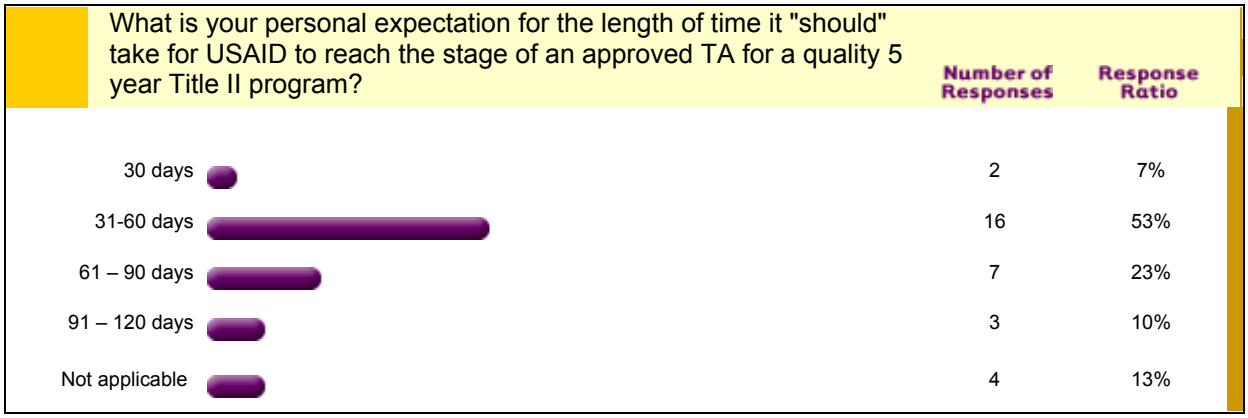
Figure 8: Survey Response from FFP/ Washington
Source: Streamlining Surveys, Spring 2003



It appears that 30% of FFP/Washington respondents believe that completed DAP approvals should occur in 60 days, while 25% were more comfortable within current timeframe of 120 days.

Not surprisingly, Cooperating Sponsors responded quite differently:

Figure 9: Survey Response from Cooperating Sponsors:
Source: Streamlining Surveys, Spring 2003



Clearly 53% believed the review process should not exceed 60 days, while only 10% agreed with the current 120 day limit. It is noteworthy that **76% of CS respondents believe that it should take USAID no longer than 90 days to complete the review and approval of a quality Title II program**.

From the Cooperating Sponsor's perspective, much time is consumed by FFP's lack of immediate attention to the proposal, repetitive questions, and insignificant information requests.

Bottlenecks, Duplications, Gaps

During the process review, the ERG/TCR team identified key points in FFP's proposal review process (DP and EP) where bottlenecks, duplication of effort, or gaps occurred that ultimately reduced efficiency and slowed the outcome. These items are highlighted in the following series of charts, along with implications and recommendations for immediate improvement. More detailed recommendations are provided in Section VII.

Figure 10: Process Review: *Bottlenecks*

BOTTLENECKS	*Implications*	*Recommendations*
1. Data entry of AER data into FFPIS (both proposals & CSR4s)	o Delay in review/approval process o Staff spend time and effort developing/using personal spreadsheets to get around the bottleneck	o Upgrade FFPIS with user friendly data entry and make accessible to CBOs on their desktop; o Enable CBOs to input AER data in "pending" mode o Clarify requests to POD o Need feedback mechanism to CBOs if problem with AER that needs to be resolved
2. Output/delivery of FFPIS Reports (Line 8 & Line 17) to CBOs	o CBOs delayed in completing TA documentation	o Post Line 8 & Line 17 Reports on intranet
3. POD Budget reviews of proposals	o Delay in review/approval process o Time spent on minor issues	o Train more POD staff to perform this function to reduce reliance on 1-2 people o Clarify POD review role o Enhance CBO training o Written internal guidance
4. POD completion & sign-off of Cost Sheets for emergency proposals	o Delay in review/approval process o Time spent on minor issues	o Expand the approval of Cost Sheets beyond 1-2 individuals o Clarify POD review role o Enhance CBO training o Written internal guidance
5. Back & forth with CSs to finalize DAP Proposal (defective inputs)	o Delay in review/approval process	o Clarify written guidance to CSs o Include a proposal template format in the guidance for CSs
6. DAPs and CSR4s all due to FFP on same date (Nov. 1)	o Work overload for FFP and CSs o Defective submissions o Delay in review/approval process	o Immediately change due date for DAPs to February 15. o Immediately change due date for CSR4s to Nov. 1 and Jan. 15 o Immediately communicate change in due dates to CSs, FFP/W, and Missions
7. Time lag in obtaining multiple signatures for TAs & TA amendments.	o Delay in review/approval process	Establish designated approval times/hours, to ensure availability of signatories.
8. Need for multiple signatures /approvals for NMS	o Delay in review/approval process	Consider re-delegation of approval authorities

Figure 11: Process Review: *Duplication of Effort*

DUPLICATION OF EFFORT	*Implications*	*Recommendations*
1. CBOs copy data from FFPIS Reports (Line 8 & Line 17) into TA documentation	o Waste of CBO time to copy data o High risk of duplication errors o Waste of POD time to re-check the data entered by CBOs	o Cease immediately o Allow FFPIS Report data to be included in TA package as attachments
2. CBOs manually copy data from proposals to Proposal Review Worksheets and CSR4 Evaluation Worksheets	o Waste of CBO time to copy data o High risk of duplication errors o Waste of POD time to re-check the data entered by CBOs	o Utilize Institutional Contractor to summarize and provide this data
3. CBOs manually copy data from Cost Sheet into TA Template (for EP)	o CBOs spend much time checking figures on calculators	o Revise Cost Sheet to correlate with TAs o Use electronic version of Cost Sheet so data can at least be cut & pasted into TA template
4. CBOs manually copy data and background information on Action Memo for WFP-PRO proposals	o Waste of CBO time to copy data o High risk of duplication errors o Waste of POD time to re-check the data entered by CBOs	o Use Institutional Contractor to provide background in standardized format
5. POD/AMEX returns final TA file to CBO to photocopy: CBO then returns to POD/AMEX for distribution.	o Waste of CBO time. o Risk of losing TA file. o Under utilization of AMEX support	o Use Institutional Contractor to manage file transfers. o Reduce the flow of paperwork by more widespread use electronic formats
6. FFP conducted full review/approval of CSR4s	o Majority of CBO/POD time spent on CSR4 reviews rather than EP or DP proposals	o Clarify the minimum review/approval requirements needed o Simplify the CSR4 review process
7. Completion of Proposal Review Worksheets often requires repeating information already provided in the proposal	o Adds one more layer of review and complexity to the process o Delays in process o Risk of errors	o Develop a "checklist" that addresses & communicates the CBO's proposal review o FFP should develop meaningful criteria for the review o Checklist should include an "approval recommendation" action indicating yes, no, or pending (with key items to be addressed)

Figure 12: Process Review: *Gaps*

GAPS	*Implications*	*Recommendations*
1. Lag time between when TA is approved, and when FFPIS is updated (from "pending" to "approved" mode)	o FFPIS information is often outdated o FFP staff spend time and effort "second-guessing" FFPIS and making their own calculations	o Establish clear steps for how information is supplied to FFPIS following TA approval o Include final approval data entry on suggested "Tracking Log" (see below) to ensure completion o Management should stress to staff the priority for keeping FFPIS updated on a more timely basis, and hold staff accountable.
2. No consistent tracking of proposals (or amendments, CSR4s) review/approval process	o Lack of responsibility o No sense of urgency o Lack of management oversight & holding staff accountable o Many items left pending o Several items lost	o Immediately develop a "Tracking Log" to track progress/status on proposals, amendments, CSR4s o Designate responsibility for maintaining the log (e.g. AMEX) o Post the Tracking Log on the Intranet, available to all staff, updated daily o Urge staff to keep the log updated o Managers should use the log as a management tool.
3. No established intermediate milestones within the 120 DAP review period	o Lack of responsibility o No sense of urgency o Lack of management oversight & holding staff accountable	o Immediately establish milestones for key steps in the proposal review process o Managers should set expectations, manage to these milestones, and hold staff accountable.
4. Travel schedules can hold up clearances – lack of established back-up for travel	o Delays in approval process	o Keep updated travel schedule and post on intranet o Management should better coordinate travel schedules o Management should ensure back-up for staff on travel, including shifting NMS/Phoenix roles

Implications on Workload

Overlapping Due Dates: Currently, both DAPs and CSR4s are due on November 1. However, there is sufficient evidence that some FFP staff do not begin reviewing these documents until up to several months later. The submission of DAPs and CSR4s must be phased to avoid this impossible work overload for both FFP and partners.

Based on much input from partners and staff, the **suggested new submission schedule** would be:

- Annual Results Report due: **November 1st** (this provides programmatic results for FFP for Congressional reporting, however it would not include year-end financials - this would be sent in with the Resource Request).

- Resource Requests due: **January 15** (this would include year-end financials from the prior fiscal year).

- DAP submissions due: **February 15.**

Development Division Workload: The Development Division had the following workload for FY 04 as of June 19, 2003:[12]

- 15 DAPs
- 1 TAP
- 1 Consortium proposal

In addition, for FY 04, DP has been engaged in:

- 64 CSR4s
- 2 DAP Amendments
- 15 Results Reports (from prior programs)
- 41 202(e) Obligation TA Modifications (as of 6/5/2003)
- 92 TA Modifications for commodity levels
- 38 TA Modifications for commodity levels pending (includes those for forward funded FY04 program activities)

CBOs are reviewing DAPs submitted for the current fiscal year and CSR4s submitted annually for years 2 through 6 of the DAP. Out of the 64 CSR4s received November 1, 2002, only 7 were approved as of 6/19/03[13] It appears the volume of work handled CBOs is substantially above and beyond the DAP review and approval process. Clearly **FFP's streamlining effort must be directed not only at DAP review/approvals but also at review/approvals of DAP amendments and results reporting as well.**

[12] Data provided by AMEX International.
[13] Same as above.

Emergency Division (EP) Workload: Based on FFPIS reports of June 17, 2003, EP had received 126 proposals for FY 03. Of this number, 88 approvals had been approved, 16 amended, 10 rejected, and 12 were pending. Of the 88 approved proposals, 22 were from PVOs (25%), 26 from WFP (30%), and the remaining were pledges[14] (45%).

These figures do not indicate the true workload for EP staff. For example, proposals addressing complex crises in the Horn of Africa, Southern Africa, and Iraq involved substantially greater input, coordination, time, and resources to process than usual.

The workload volume in FFP is clearly overwhelming. However, FFP's pre-occupation with process minutia actually magnifies the workload. This causes delays not only in non-emergency programs, but in emergency programs as well.

For example, the nearly six month review of the emergency proposal for Eritrea mentioned earlier was partly due to: apparent lack responsiveness of FFP to the field, slow closure on budget reviews, and poor guidance. Tragically, these types of **delays may lead directly to increases in mortality and malnutrition.**

To help reduce the workload, FFP should: 1) provide more instruction to staff on setting priorities and discerning what is really important; 2) conduct closer staff supervision to ensure staff are using their time wisely; 3) reduce duplicative or unnecessary steps which do not add value to the process.

Tracking

In high performance organizations, "what is measured is managed." Therefore, a good way to gage what is being managed is to examine what and how work output is measured. During their review, **the consultants found a dearth of reliable, updated, complete, and intelligible mechanisms for tracking the status of either emergency or non-emergency proposal approvals.** Prior attempts at developing tracking sheets were discovered, but were either not in use, or had never been fully implemented.

The consultants posed these fundamental programmatic questions to FFP senior management:

1) *What is the number of FY 04 proposals that FFP has been received since October 1, 2003 (Emergency, Non-emergency, Development-Relief) and what is their current status?*

2) *What is the number of CSR4s received since October 1, 2003, and what is their current status?*

3) *What is the number of DAP amendments handled since October 1, 2003?*

4) *What percentage of DAP proposals were actually approved (meaning TA was signed) within the 120 day timeframe?*

[14] The WFP Pledge Proposal is an agreement arranged between the USG and WFP for FY 2003 for a certain dollar value. Multiple contributions are made under the Pledge to individual countries up to that dollar ceiling.

The collection of this most basic information took over a week and required the helpful assistance of several AMEX staff. The information was not readily available. This lack of availability reveals a critical weakness in FFP's internal management systems.

Without good tracking data, how can FFP hold itself accountable? **This basic dearth of an updated tracking mechanism is in itself an indication of the lack of attention which FFP has historically placed on timely service delivery and quality control.**

Comparison of FFP and USDA Guidelines and Applications

In contrast with FFP, USDA/FAS has an exemplary on-line application form for its McGovern-Dole International Food for Education and Child Nutrition Program. (See Annex M for a sample.) USDA has been in the process of developing on-line proposal submission capability for all of its programs. It has allowed electronic submissions for its Food for Progress and Section 416(b) programs for the past two years. The M/D Food for Education on-line format is a refinement of that process and has several aspects which FFP could replicate. While these developments are encouraging, it should be noted however that USDA still has significant delays in program approvals.

Comparison of FFP and OFDA's Review & Approval Process

The Office of Foreign Disaster Assistance (OFDA) deals with urgent short-term response situations which do not necessarily involve commodities. However, some of OFDA's proposal application, review, and approval processes could be adopted by FFP. Distinguishing features include:

- OFDA's "Recommended Proposal Format" is simply laid out on a page and a half.
- OFDA's "Recommended Results Report Format" is less than 1 page long.
- In Annex N, OFDA has a one page "Guidelines for New Applicants." FFP could benefit from adopting a similar approach.
- Solicitation are currently posted on www.grants.gov.
- Submissions are done via e-mail.
- No required Review Meeting
- Ability to conduct Virtual Review Meetings if necessary
- Ability to conduct immediate determination if a proposal is "grant worthy"

Quick Impact Projects (QIPs): OFDA has a streamlined pre-grant process for anticipating an emergency or extreme situation. For example*, OFDA had 6 QIPs in place with relief organizations before hostilities even started in Iraq*. For QIPs, the Field office submits a **one page plan** with estimates, and OFDA can set aside funds for administrative and technical costs in advance. With many years of experience with trusted Cooperating Sponsors, FFP could establish a pilot QIP-type program. This would involve working with CSs to prepare documentation requirements in advance and agree to operate on a "work order" basis when emergency food was needed.

V.C. Systems Analysis: Food for Peace Information System (FFPIS)

The purpose of the Food for Peace Information System (FFPIS) is to track data and information requirements based on commodities approved for use in the PL 480 Title II Program. The system tracks all individual commodities in the two million ton Title II program by commodity, type, country, Cooperating Sponsor, and value.

Data generated from FFPIS is critical to the Transfer Authorization (TA) approval process. FFPIS houses the historical database of FFP programs, commodities, and approvals, and is the basis for FFP's financial management and budget process. Aside from the standard reports used by FFP staff, FFPIS is used to generate special reports in response to specific information requests from OMB, Agency management, or Congress.

Despite its critical importance, FFPIS is clearly the source of considerable frustration and concern at FFP. It is also the source of many myths, misunderstandings, and some personnel conflicts within the Office. The following section is intended to provide insight and understanding into this system, address some misconceptions, and share feedback from users. Specific suggestions for future FFPIS improvements are detailed in Section VII.

Background on FFPIS

FFPIS was developed in 1992 by ARTI (a subcontractor to Mendez England, the prior Institutional Contractor). The FFPIS is comprised of 11 modules: 6 operational and 5 code tables. The FFPIS was the first information system developed in USAID on a Unix platform. It runs under the Sybase Relational Database Management System (RDBMS).

The FFPIS is a data model of USAID's P.L. 480 program and has a modular architecture with each module serving a specific function. Each module includes its own data entry and report writing function. The operational modules are:

1. Budget Planning/Congressional Presentation
2. Requests
3. Calls Forward
4. Procurement
5. Booking/Shipping, and
6. Other (Food Aid Committee/Food Aid History)

The system includes over 100 tables producing an equivalent number of automated reports. It includes approximately 60 megabytes of data ranging from current operating year data to historical data and tracks over $2 billion in commodities. The system is complex because of the large number of tables and because it manipulates a variety of commodity-based data as well as financial data. It also includes a series of well-defined data integrity checks to ensure the output is consistent and reliable.

FFPIS currently uses a UNIX computer as its host, with a Sun Solaris 2.6 operating system. Some people mistakenly believe that FFPIS is DOS based because it is normally accessed via a PC from the DOS prompt. This however it not the case. The database

resides inside a firewall. Currently, ORACLE is the Agency's standard database management software. However, FFPIS was developed using Sybase, the manufacturer of the database where the FFPIS data is stored.

FFP currently uses the UNIX-version of the Sybase database, version 12003 (the first Y2K compliant version). Sybase APT is currently used to create data entry screens, however APT is no longer supported by Sybase. The FFPIS System Administrator also uses a series of C shell scripts (AWK, Perl, and discontinued shareware software) to generate the FFPIS reports.

Prior FFPIS Systems Improvements

When the FFPIS was developed, the Agency did not have a level of computing power sufficient to allow its staff to access the database from their individual desktop computers. Today, this constraint no longer exists, and the Agency is moving as rapidly as possible toward a desktop client-server environment. In addition, the system was developed an entire generation before the internet and web-based applications. In 1999, the operating system and database were last updated to Y2K compliant versions. No upgrades in operating system or database platform have occurred since then.

Current Strengths of FFPIS

While FFPIS has numerous limitations that are detailed below, the system does have strengths:

- ***Stability*:** To date, FFPIS has been extremely stable. It is always up and running for users, unlike some other applications used by FFP, such as MS Outlook.

- ***Historical Record:*** The FFPIS reports contain important historical data from 1992. FFPIS is the key source of empirical data for FFP management use.

- ***Security**:* The system appears to be secure, and USAID's IRM (Information Resource Management) firewall keeps hackers out. There appears to be little to no threat of viruses. Safeguards are in place for novices to access and generate reports but not to compromise data by accidental data entry. Further, each user has a special login with restricted access based on their level of management and use of the system.

User Feedback

FFP and the institutional contractor initiated an internal IT Systems & Hardware Proficiency Survey to better understand the needs of FFP Washington and field staff. While the survey had many limitations, 15 staff responded. The following are the responses indicating problems with FFPIS:

Figure 13: Sample Staff Responses
Source: IT Systems & Hardware Proficiency Survey (Spring 2003)

Question: ***What features of the FFPIS System cause the most problems?***

1. "Summary dollar and tonnage figures are not easily available."
2. "Everything needs to be printed rather than used on the screen."
3. "Info requestor must be very clear to AMEX staff what report data they would like to have, otherwise they won't get what they want."
4. "There are data which it doesn't track. It's not always up to date. The 5 year stat sheets only appear if there's an current year approval: we need to see the stat sheets on prior years even if there's no activity."
5. "The system would be more useful if all CBOs had access to the information electronically."

The consultants received similar feedback in their Streamlining Survey (see Annexes F and G).

Data Entry

The key data elements input into the system come from the AERs (Annual Estimate of Requirements) received by CSs as part of their proposal and CSR4 submissions. AER data is entered for every proposal, amendment, and CSR4. The system aggregates the data for further use in the review and approval process, for budget tracking, and the generation of special reports.

Data entry into FFPIS is arcane and difficult, and poses a major constraint. It requires a prescribed stream of sequential queries that must be input into the system. Training and experience is required to know the codes necessary for data entry. Currently, one staff member is the expert (with two back ups). One cannot proceed to the next screen until the prior one is completed. If one field is missing (due to incomplete data), then the process stops. The data is originally input in a "pending" mode (prior to approval). Following approval, the data is then shifted to "approval" mode. All data must be re-entered whenever changes or amendments occur.

The data display on the current data entry screen is archaic and non-user friendly. It is a sore reminder of what computer data looked like a decade ago before Windows-type applications.

The following is a sample FFPIS data entry screen:

Figure 14: Sample FFPIS Data Entry Screen Query

```
<prancer:steve> 1 /home/steve % repmenu

                    FFPIS
              Reporting Subsystem

 GROUPS                          REPORTS
 ADJ                            Weekly_OYB
 BPD                            *OYB_202E
 BUDREQ                         OYB_COMM
 CF                             OYB_IND_COMM
 FAC                            OYB_TL1
 FAO                            OYB_All_Countries
 FRGHT                          OYB_202E_Emergency
 LOGISTICS                      OYB_202E_All_Countries
 *OYB
 REQ
 REQPK
 SHIP
 SITREP
 WFP
 YEAR_END

 d=down | u=up | b=browse (see all reports) h=See Help for this
Report
 x=exit to previous | <return> to select    RUN MODE IS ON
 FFPIS Report                        Thu Mar 13

            Title II & Section 202(e)
         Approved or Pending Quantities

        As of : Thu Mar 13

      Please enter the Fiscal Year: 2003

      Report For [L8][L17] :l17

     Approved, Pending programs or Both? [A/P/B] :a

      Reduce Approvals by Fallout? [Y/N] :n

     You may select All Countries, Specify a Region,
     or Select a Single Country

     For [ A)ll / R)egion / C)ountry ] :r
```

FFPIS Report Usage

According to the IT survey conducted by FFP:

- 77% said that FFPIS was very important or important to their job function
- 62% said that FFPIS report generating capacity should be improved

Respondents were asked which FFPIS reports they most frequently used:[15]

- Pending and Approved Line 17
- Pending and Approved Line 8 Report
- Approved Budget Summary
- Approved Activity Report
- Call Forward Status Reports
- Approved Budget Summary Report
- WFP Pledge Tracking Report
- Monetization Report
- SO#1 Total Approved Programs
- SO#2 Total Approved Programs
- Approved Programs by Commodity (all sponsors)
- Approved Programs by Country (all sponsors)
- Approved Programs by Sponsor
- Program Approval Reports
- Commodity Status Reports (fallout)
- Pending Quantities

Report Generation & Access

As stated above, a key function of FFPIS is the generation of important reports which are used in the review and approval process. The most commonly referred to and requested by CBOs are the Line 8 and Line 17 reports. Currently, when CBOs request one data element from one report, apparently the entire report must be printed out, and the requested hard copy page removed and distributed to the requester.

In the course of conducting research for this Report, the consultants discovered that there were in fact several FFPIS reports currently available on USAID's intranet updated on a daily basis. These can be found at www.prancer.usaid.gov ("prancer" is the alias for the FFPIS computer). Anyone with USAID Intranet access can get these reports by typing a password. However, few staff members knew about this nor knew the password.

The on-line reports do not require full printing in order to find one data element. For example, the Emergency and Non-Emergency Program References pages within the FFP homepage show reports on call forward status and shipping logistics which can be viewed and select pages printed. While these few reports have been uploaded to the USAID Intranet, it would be relatively simple and cost effective to do the same with other reports in wide demand by CBOs. Management could effect this change

[15] Report titles are those used by respondents, and may not be accurate.

immediately. Mission staff could also have access via the password. The FFPIS Systems Administrator has developed a "prototype" webpage for the display of FFPIS reports which is presented in Annex O.

FFP staff are currently unable to access a read-only version of FFPIS for informative purposes. This was identified earlier as a key bottleneck in the proposal review and approval process. FFPIS data should be available to CBOs and AMEX staff at their desktops. FFP Mission/Field staff also need access to FFPIS information. Field officers now keep their own totals and spreadsheets to track call forwards and commodity/freight values which often do not correspond to FFPIS data. Field staff must then ask FFP/W to periodically verify the figures. This places additional burden on FFP/Washington staff.

The initial intention was to keep the system restricted to only a select few for security purposes. Clearly FFP needs to assure greater access to FFPIS reports, given the outcry of requests by staff. **In short, everyone who needs them should have immediate access to FFPIS reports, both in Washington and in the field.** This can be achieved in the short term by immediately posting key FFPIS reports to the USAID intranet. In the medium term, FFP needs to pursue systems enhancements to FFPIS that make the data available on the internet, with password protections.

Inaccurate FFPIS Data

Concern and frustration is widespread among FFP staff that FFPIS information is "never up to date." The consultants were unable to verify this directly, nor determine the root cause. However, there were sufficient complaints to indicate a major problem. The following is concrete example of problems with accuracy and availability of FFPIS data as described by a Food Aid Monitor:

> *"I am responsible for the West Africa Commodity Management (WACOM) database. I use [FFPIS] reports to update our database concerning the approved quantity per country and CS. Unfortunately sometimes, I have problems with the* ***FFPIS report data which don't correspond to field data****. For example, the FFPIS FY 2002 report (as of Mar 26, 2003) doesn't present any approved commodity for Sierra Leone but in reality Sierra Leone received for FY 2002 approved commodity 37,050 MT (12,900 for CRS, 9,060 for WVI, 8,560 for WFP and 6,530 for CARE). For CRS (in Senegal and Gambia), FFP approved 1,864 MT of food in FY 2002, this figure does not exist on the FY 2002 FFPIS report. The same problem exists on the FY 2003 FFPIS report... Also, we need (ASAP) an updated report of the FY 2003 FFPIS."*

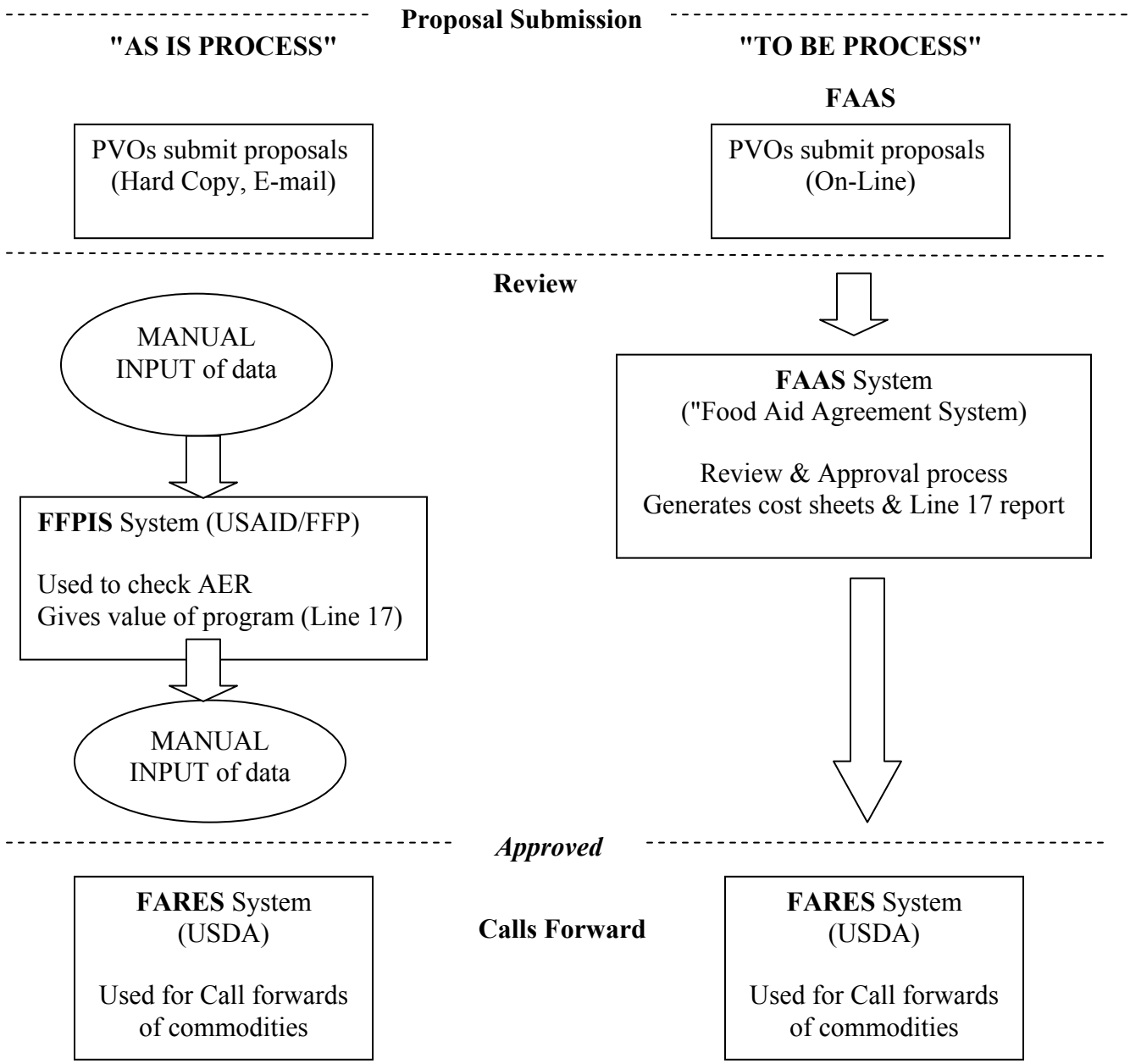
FFP needs to immediately review FFPIS data and correct any inaccuracies that exist. Steps should also be taken to ensure that FFPIS data is continuously updated. The consultants believe this is a data entry issue, rather than a system issue. There should be an internal inquiry to determine the root cause and address the problem, whether due to lack of training, lack of attention to detail, or lack of management oversight.

Connectivity

The consultants were asked to address how FFPIS might link to other systems (e.g., FARES) for purposes of proposal submission, program management and reporting. Since FFPIS is a USAID system and FARES is a USDA system, this is inherently problematic. These connectivity issues are being considered as part of the FAAS Phase I initiative mentioned earlier. However the timeframe for FAAS has yet to be determined and the outcome is uncertain.

Below is a sketch comparing how data is transferred now ("as is") from the time of proposal submission to call forward, and how it is envisioned under FAAS ("to be"):

Figure 15: Process Comparison: Connectivity



A more critical connectivity issue is how data from FFP's eventual on-line proposal applications will link with FFPIS. As mentioned earlier, FFP will need to accept on-line proposal submissions as of October 1. However, technology is not currently in place within USAID to "upload" the proposal data electronically to FFPIS.

There are initiatives currently underway in the Office of Procurement to address general connectivity issues arising from the E-Grants initiative. FFP should be engaged in this effort to ensure its needs will be met as technology upgrades are put in place.

Improved Management of FFPIS

While FFPIS has serious limitations, it has unfortunately become a scapegoat for process delays at FFP which have less to do with technology and more to do with deficiencies in management, oversight, and communication. Clearly FFPIS has its technological limitations as detailed above. However, any system, no matter how advanced, must be managed effectively and designed as appropriate to the needs of users. There are several key items that FFP could address immediately to improve the effectiveness of FFPIS through sound management practices *regardless of any upgrades or enhancements that may or may not be made to FFPIS.*

These suggestions for management are:

- Establish an internal standard for data entry of AERs (e.g. 48 hours turnaround) and report generation (e.g. 48 hours following request) to ensure timely turnaround, and establish an internal "customer service orientation."

- In order to track the above standard, start a "Data Entry Request Log" showing date, time, item, and requestor. The date/time the data entry was completed should also be noted. Management should check the log periodically to ensure that this internal standard is being achieved.

- Provide clearer guidance to data entry staff on how to prioritize report requests. Communicate these priorities to FFP staff to manage expectations. For example, during the DAP review period, DAP-related data entry and report generation should be top priority.

- Establish a standard operating procedure for communication between data entry staff and CBOs in the event of defective or incomplete AER data.

- Train staff who conduct data entry and generate reports to adopt an internal "customer service" orientation. Few staff have training in and access to FFPIS. FFP staff complain that these select few sometimes act as "gate keepers" to fellow staff rather than as service providers. Management should mentor staff in shifting away from this mentality.

Other specific recommendations on FFPIS are detailed in Section VII: Recommendations and Required Actions.

V.D. Other Process/Systems Analyses

Calls Forward

Until recently, the actions involved in "calling forward" (ordering) food commodities following program approval were a complex, time consuming, and paper-laden process for the two million ton program. In order to generate the "orders," Cooperating Sponsor field managers would prepare a "call forward request" listing the commodities required and their requested shipping dates. That request was then sent through the local USAID mission and the Cooperating Sponsors' headquarters to FFP. FFP staff reviewed the order, processed it against their approval records, and sent it to USDA/Washington. Then, USDA/Washington would send the request to USDA/Kansas City, who would ultimately buy the commodity. The process was obviously in need of automation and as a result, the FARES system was developed (which is described earlier in this Report).

FARES is clearly an improvement over the old procedure. However, FFP's recent July 2003 experience with "live" ordering through FARES indicates that the technology has not been fully embraced. Future success will partly depend on careful written explanations to users.

FFP/POD plans to send a letter to all Cooperating Sponsors in August announcing that FARES is fully operational and that calls forward will no longer be accepted in paper form. However, based on the streamlining survey from April/May, **only 55% of CSs had access to FARES:**

Figure 16: Survey Responses from Cooperating Sponsors
Source: Streamlining Survey, Spring 2003

Are you currently able to access/use the FARES system?	Number of Responses	Response Ratio
Yes	13	45%
No	16	55%

FFP management must ensure that CSs are brought on board as quickly as possible to ensure that FARES can be used in the exclusive manner intended.

Budgeting And Financial Management

Budgeting and financial management activities within the Office of Food For Peace are complex, not well understood by many staff, and subject to an endless stream of requirements ranging from Congressional Budget Justifications to reviews of detailed proposal budgets. Financial management of a program that exceeds $1.2 billion in resources requires substantial reporting requirements and analytical capacity.

Staff are currently overwhelmed with daily demands and these fiscal responsibilities involved are daunting. This combination of budgeting and financial management responsibilities for a worldwide activity that exceeds $1.2 billion is an obvious strain and limiting factor in FFP operations.

For its financial management and budgeting responsibilities, FFP should consider a separate **Financial Management and Budget Unit**, with additional financial and budget analysis staff. This Financial Management and Budget Unit would be separated from commodity management tasks and would be led by an experienced USAID Controller. This would greatly enhance FFP's ability to handle financial and budgetary matters more promptly, efficiently, and consistently.

Regulation 11

With nearly a fifty year history, the PL 480 program has an extensive record of legislative change. For those organizations involved in Title II of PL 480, no single item of guidance is more important than "Regulation 11," or Title 22 of the Code of Federal Regulations, Part 211. Regulation 11 notes that it "provides the standard terms and conditions applicable to Title II programs." The current Regulation is a twenty-two page single spaced document covering twelve separate sections.

The last time Regulation 11 was updated with applicable legal and other changes was to incorporate provisions from the 1990 "Farm Bill." Since then, there have been three successive "Farm Bills" with significant changes to Title II – although none of those changes have been codified in Regulation 11. A major backlog of revisions exists.

An updated, usable Regulation 11 is critically needed and must be included in the Agency's Automated Directives System (ADS). Program authorities have changed; participant responsibilities are different; funding limits have been revised; and terminology and interpretations have changed dramatically in the twelve years since Regulation 11 was last revised. **Revision of Regulation 11 must be among FFP's highest priorities.**

VI. Findings

The consultants' assessment of streamlining opportunities has encompassed a very wide range of inquiry, including work processes, internal office procedures, and management information systems. The SOW asked for a review of "*program implementation issues as well as systems and procedures"* to "*identify gaps in knowledge, training needs and/or system changes."* Presented below is a summary of the findings of that assessment which cover the FFP operating environment, administration, program management, and information systems associated with the Title II program.

It is noteworthy that many key findings and recommendations that have been made independently in this Report are similar to those highlighted in past reviews conducted over the last four years. A trend of repetitive findings and recommendations was found from sequential reports. The repetitive nature of these prior findings and recommendations was so striking that the Streamlining Consultants prepared a matrix to compare them (See Annex P).

Annex P presents a summary of generic recommendations from these Reports with nine major subject areas listed. The matrix reveals that **prior recommendations for key operational improvements to FFP have been largely ignored or simply not implemented from 1999.** The ERG/TCR team found that all of the underlining concerns that were the rationale for these recommendations still exist and still require immediate high-level management attention.

The findings below are presented in the following categories:

- FFP Operating Environment
- FFP Administration and Financial Management
- Program Management
- Bottlenecks: Review & Approval Process
- Staffing, Professional Development, and Personnel Management
- Systems & Technology

FFP Operating Environment

1. **The recent enormous growth in Title II program size and responsibility requires an end to "business as usual."** The PL 480 Title II program received over $1.8 Billion in appropriations for FY 2003. While that level was unusual for many reasons, appropriations of approximately $1.2 billion can be expected on a continuing basis. At that level, the program simply cannot be managed by USAID in the manner of prior years. Lack of critical staff, excessive process, preoccupation with detail, and overwhelming documentation requirements are completely incompatible with a $1.2 billion program. Economies of scale and the management decisions to achieve them are essential and urgently needed. The congressional mandate to streamline, which will strengthen FFP's internal operations and procurement systems, adds urgent impetus to an already essential task.

2. **The Title II program, while an activity of USAID, has been greatly impacted by numerous external influences over the past 18 months which have required extraordinary attention and have consumed management time and resources.**

   These influences include:

   - Unprecedented emergencies (Ethiopia)
   - An extended period of Continuing Resolutions
   - Changing commodity prices
   - Complex emergencies with important foreign policy implications (Iraq, Afghanistan, and North Korea)

   In addition, revised appropriation levels and a complicated process of receiving funds from the U.S. Department of Agriculture add complexity to managing the program. The planned Millennium Challenge Account may target many of the countries served by Title II, and its administration may ultimately affect Title II policies and procedures as well.

   The Agency and the leadership of Title II have done much to deal with these influences over the past 18 months. However, the Agency now must shift its attention to a management focus for Title II that creates and sustains far greater program efficiency.

3. **The Office of Food for Peace has developed a Concept Paper for its new Strategic Plan that can be the basis for streamlining.** The new Concept Paper proposes a focused strategic objective – *Food insecurity in vulnerable populations reduced* – with matching intermediate results to enhance FFP's global leadership in food aid and to increase Title II program impact in the field. In addition, a crucial intermediate result that links the strategic framework is "*timely and efficient program management achieved."* This strategic approach provides the most immediate opportunity to recommit the Agency to timely, efficient and effective management of Title II.

4. **Basic regulatory guidance for Title II is inexcusably outdated by over a decade and no Title II guidance exists in the Agency's Automated Directive System.** The lack of updated regulations causes reliance on "ad hoc" interpretations, a long outdated Handbook, and internal memos, emails and notes that are not codified, sometimes inconsistent, and occasionally forgotten.

5. **Although there have been four major reviews of FFP's administration of Title II since 1999, the Agency has devoted insufficient attention to their findings and recommendations.** In addition, there have been prior GAO reports and other reports dealing with FFP management. The recommendations in these reports are remarkably consistent: e.g. the need for clearer, more succinct guidance, substantially reduced documentation requirements, shorter time periods for program review and approval, better trained staff, and simplified reporting

requirements. However, only a few recommendations have been implemented to date.

6. **There is a high cost for delays in program approvals for development programs and for some emergency programs. Such delays lead to a "bunching" of requirements for commodity purchases and freight services late in the Fiscal Year, often at higher costs**. This situation is exacerbated by similar delays in USDA programs occurring at the same time. The result is excessive demand on commodity and freight suppliers for large amounts of commodity and freight services within a short timeframe. Preliminary analyses of select Title II commodity prices indicate price increases of at least 5-7% during these peak periods. Through more timely review of programs and earlier approvals to purchase commodities, FFP could avoid "bunching" and could easily save millions of Title II dollars. [16]

7. **The work and specific functions of FFP are not well known nor understood throughout the Agency**. FFP daily activities are largely a mystery to many in Washington and in the field. (One Senior Regional Bureau manager thought FFP staff actually solicited for and purchased commodities.)

8. **FFP suffers from a comparative lack of support from the DCHA Bureau.** Comparatively, FFP receives much less support from the DCHA Bureau in administrative and technical support, training, and publicity, than the much smaller Office of Foreign Disaster Assistance (OFDA). Bureau support is urgently needed to revise the Food for Peace Information System (FFPIS) and to provide for basic needs, such as computer upgrades. For example, OFDA has a Training Unit with up to five full-time staff to provide on-going technical training and professional development for OFDA staff in Washington and the field. <u>However FFP has no internal training resource</u>, and is the largest single program administered by the Agency, with a budget over five times that of the OFDA.

9. **Compared to other Agency programs and operating units, FFP and Title II generally, appear to be the subject of excessive demands and requirements from the Office of Management and Budget.** These are the subject of considerable concern by many FFP staff, DCHA managers, and outside observers. OMB requirements throughout the year have included continuous revisions in data representing country and commodity allocations and value**,** questions and meetings about program criteria and performance indicators, and resubmission of prior data requests. These demands divert staff attention from program support and administration, causing further delays in program review and approval, as well as complicating the budgeting and financial management process.

[16] Source: Consultant review of KCCO monthly purchase data from September 2001 through May 2003.

FFP Administration and Financial Management

1. **Budgeting activities at FFP are time-consuming and not well understood, and FFP has inadequate resources to perform them.** FFP appears to be constantly preoccupied with "budgeting" and "re-budgeting" – whether it be for next year's Bureau Program and Budget Submission (BPBS), current year Operational Year Budget (OYB), Congressional Budget Justification (CBJ), or ad hoc budget requests from OMB, PPC or senior Agency management. Within FFP there appears to be confusion and a lack of understanding about the Operational Year Budget process and the use of OYBs. At the same time, the Office has a major responsibility to manage and report on the actual use of budgeted resources of over $1.5 billion. In addition, there are tasks associated with the continuing process of budget examination in the review of all proposals. At this time, both the capacity and the configuration of staff resources are not adequate to meet these varied responsibilities.

   For example: CBOs recently spent several weeks revising TA modifications based on changes in overall budget levels because the FFPIS system was reporting approval levels for development programs above the 310 million threshold. The budget level changed again, so the TA modifications were then obsolete.

   This combination of budgeting and financial management responsibilities for a $1.5 billion worldwide activity is an obvious strain and limiting factor in FFP operations.

2. **FFP must, to the extent possible, use up-to-date commodity pricing information for planning and budgeting purposes.** The Office needs a process whereby uncommitted price estimates can be adjusted automatically and on a regular basis to accommodate price changes.

3. **The FARES system adds a marked improvement to the traditional "call forward" process.** However, recent experience with "live" ordering through FARES indicates that **FFP will need to provide careful written explanations to users** to prevent delays in calls forward.

4. **USAID's "mission re-delegation authority" has not been used extensively this year, if at all.** The Office of Food for Peace and the Agency have established clear criteria for "re-delegated missions" in which certain PL 480 Title II decision-making authority has been redelegated. That authority should be considered to help reduce time spent by FFP/Washington in the program approval process. Currently, five USAID missions have "re-delegated" authority to make some decisions now being taken in Washington. Those authorities should be used, if appropriate.

Program Management

The consultants were asked to review program implementation issues to identify possible improvements in the implementation of Title II. As such, the following are findings in the area of program management.

1. **Much improvement is needed in FFP's program review and approval process for both development and emergency programs. Rather than a need for radical change in process steps, most improvements can be achieved mainly from better teamwork, management oversight, and accountability.**

   For example:

   - The review of DAPs submitted on November 1, 2002, did not begin until December 2002 or much later. This was partly due to the fact that FFP was engaged in completing approvals for FY 03 proposals at the same time (however, this pattern of delay is not limited to 2003).
   - DAPs and CSR4s are often neglected after they are submitted: Some CSR4s were not reviewed until May/June (after being submitted November 1).
   - Emergency Programs are rarely approved within the self-imposed 21-day timeframe, and many are delayed by slow closure on budget reviews, and poor guidance – all management issues.
   - The DAP process is inconsistent from year to year.
   - Staff view delay as endemic and accept this as "part of the process."

2. **FFP operations suffer from a largely informal approach to key policy issues. This results in confusion, inaction, variable interpretations, internal conflict, miscommunication, and an overall ad hoc approach which is time-consuming, costly, and not transparent to outsiders.** *For example:*

   - Much time is consumed by staff in seeking answers to policy and procedural questions. This is a prevalent complaint cited by staff in all Divisions.
   - Policy decisions appear to be determined and communicated in an ad hoc manner.
   - Staff and CSs complain that policy shifts are a "moving target."
   - There is no one, well-conceived, reliable written source of guidelines for internal operations and policies.
   - Staff complain that even if an issue was originally resolved and a program approved, the old argument can resurface in subsequent years.
   - CBOs comment that they sometimes learn of updated FFP policies from PVOs.
   - Policy decisions appear to be determined and communicated in an ad hoc manner without full consultation.
   - Some important decisions made in meetings become "oral" policy, but are not formally communicated.

3. **Currently, the DAP Guidelines are unclear regarding the definition of the 120 day window for program "approval**." The Guidelines now state: "FFP will reach a final decision (approve and negotiate a signed transfer authorization,

or deny approval) on DAP proposals within 120 days of submission of a complete document to FFP" (page 1). However, later the Guidelines state: "By the end of the 120-day period, FFP will communicate the decision made regarding approval or denial of the proposal" (page 2). These are 2 different definitions. While "approval letters" were sent to CSs within the 120-day timeframe, **it is the consultants' view that FFP should uphold the more rigorous standard of an approved TA and obligation of funding within the 120 day period. As of June 30, 2003, none of 17 DAPs submitted November 1, 2002 had TAs signed within the 120 window** (although two were rejected).

4. **FFP has an extreme and fundamental lack of clear, updated, written guidelines for even its most basic operational procedures, such as basic internal procedure manuals. As a result, FFP currently operates on the basis of the "institutional memory" of a few individuals with their own perspectives, biases, and resource limitations.** *For example:*

   - Poor guidelines for Cooperating Sponsors (CSs) and internal guidelines on Consortia proposals have led to time-consuming problems. Consortium budgets have been huge, complicated, and unclear, due partly to poor guidelines given to PVOs. ***For example: the CSAFE proposal had 68 budget sheets, and then 110 of revised budget sheets. The budget review alone took 1-2 months of full-time level-of-effort according to FFP.***

   - CSs were told "TAPs are back" but they were not given written guidelines. Rather, the most recent Policy Letter stated that "At this point in time, proposals for TAPs should be submitted in accordance with the DAP guidelines. However, specific guidelines for proposals submitted for transition programs will be forthcoming in the next submission cycle." These guidelines have not been provided to date.

   - CBOs are unable to give concrete guidance to the CSs on development-relief proposals. One activity experienced excessive delay because there were no clear guidelines for budget formats.

   - A number of CBOs need clarification on completing proposal documentation. CBOs complain they are asked to complete the TA documentation for multiple audiences: Team Leader, Division Director, Deputy Director, and Director. This is confusing and time-consuming. They cite approval delays if one audience is not satisfied with the language which might be satisfactory to others. CBOs also need guidance on how to interpret policy, as stated earlier.

5. **There is a profound deficiency of clear, consistent, accurate communication within FFP regarding policy, procedures, and new initiatives** (even as to who is currently working in the office). There are poor internal communications within the office (e.g. travel schedules, policy changes, personnel changes, updated telephone and e-mail list). There are also poor communications between FFP and CSs. There is a profound lack of effective communication across Divisions within FFP in Washington. This deficiency is magnified in communications with FFP Field staff.

6. **FFP has a serious lack of consistent, standard operating procedures, tracking mechanisms, and benchmarks for which staff are made accountable.** *For example:* the Consultants observed TAs being casually dropped on a manager's desk for review and signature; numerous TAs piling up on desks; managers being unaware of which TAs they had received or what was priority.

7. **Currently, much staff time is spent reviewing/approving CSR4s in addition to programmatic proposals.** *For example:* In FY 2003, FFP/DP received 64 CSR4s and 15 Results Reports, but only 15 DAP proposals (plus 1 TAP, and 1 Consortium proposal). Clearly, streamlining efforts must not be limited to only proposal reviews/approvals.

8. **Much time and effort is expended on excessive quality control sometimes with little added value.** This partly due to lack of trust, lack of training, and common mistakes that arise from copying data from one form to another. For example, substantive delays have occurred on budget approval due to unnecessary minutiae (such as requests to change formatting, spelling, and grammar).

9. **There is a severe lack of "customer service" orientation at FFP**. This is evident both within the Office (e.g. between POD and the program divisions) and between FFP and Cooperating Sponsors. For example:

   - There is a dearth of internal and external service standards (such as "24 hours to respond to a call by a CS," or "48 hours turnaround time on issuance of FFPIS reports).
   - Both DP and EP program staff complain that POD functions more as a "road block" than a source of internal support. Whether or not this is fair, this is indeed the perception.
   - Proposal guidelines, application materials, and policy statements are not written or presented from a user perspective.
   - The tone of written emails from FFP to CSs is seen as pejorative and sometimes harsh – far from "cooperative" or "partner-like" as a "Cooperating Sponsor" or "Partner" might expect.
   - Some FFP staff do not respond quickly enough to either emails or voicemail messages. This was a common complaint of PVOs and was also evident to the consultants during the course of this assessment.

   A major "culture shift" is required to move FFP towards a customer service orientation. This will require major management commitment, continued attention, and demonstration by example.

10. **Physical space limitations contribute to process delays and lack of cohesion among FFP staff**. Currently, FFP is operating in three separate areas on 2 floors. This arrangement has contributed to further segmentation in process steps and lack of cohesion among staff. It also leads to much time delay and misuse of resources. For example:

- CBOs are now required to physically distribute TA packages to obtain required signatures. The consultants learned it can take a CBO 2-3 days to physically walk around to obtain the required signatures for a TA or for NMS/Phoenix approvals.

- CBOs are now required to leave the 7th floor and go the 8th floor to pick up the prepared Cost Sheet from one person in POD and deliver it to another person a few cubicles away in POD in order to get a TA number for the TA.

- CBOs are expected to "walk" TA packets to POD for many POD steps, both to deliver and to pick up completed work.

11. **It appears the proposed Action Plan of the Institutional Contractor has still not been approved as of the writing of this Report.** Clearly, this is a key management issue that needs to be addressed. This would help clarify roles and responsibilities and help FFP to utilize the contractor most effectively.

12. **Barriers to entry exist for new CSs wishing to participate in DAP submissions**. For example, the Guidelines state that CSs without a prior DAP in a given country should submit data from proforma invoices or contract quotes submitted by likely inland transport companies. Submission of the required information is key to establishing an inland transportation account for reimbursement. However, it is often difficult for CSs to obtain or present this information.

Bottlenecks: Review & Approval Process

There are several key "bottlenecks" in the review and approval process that should be remedied immediately. **Most bottlenecks can be handled simply through improved management oversight and accountability.** Examples of these bottlenecks are below.

1. **Data entry of AERs into FFPIS is a major bottleneck in FFP's review and approval process.** As of June 20, 2003 the Institutional Contractor informed the consultants that roughly 50% of AER data from CSR4s (submitted November 1, 2002) had been entered into FFPIS. It is currently unclear why it takes so long for the AER data to be input into FFPIS since the actual data entry time required is estimated at 20-30 minutes. Since an AER is required for each DAP, DAP amendment, CSR4, and call forward, this bottleneck is important given the volume of AERs. The consultants learned that many modifications are made to AERs which are often incorrect the first time around.

   Delay in data entry appears to be due to a breakdown communication from several contributing factors:

   - Mistakes in AERs which are submitted by the PVO (that were not caught by FFP staff before AER was sent for data entry).
   - Need for corrections on the AER may not be made clear to the CBO.
   - CBOs have varying levels of training on how to read AERs correctly.
   - Hard copies of AERs transferred between CBOs/POD sometimes get lost.
   - Data entry personnel appear to lack clear direction on what is priority.

2. **There appears to be a significant bottleneck in completion and approval of "cost sheets" and "budget reviews" as part of the review and approval process**. It is unclear whether the delay is due to excessive workload, lack of staff, lack of attention, or other root cause. However, **this bottleneck appears to have caused notable delays in the TA approval process.** *For example:*

   - The Ethiopia consortium proposal was held up for one month just to get the Cost Sheet finalized.
   - There were examples of submissions of Cost Sheet Request forms to POD that were delayed for months.
   - PVO budgets are often given as initial estimates; this can cause problems later.
   - There appear to be differences on interpretation of policy guidelines for allowable expenditures on certain line items on the cost sheet.
   - The budget negotiation process between program units and POD is time-consuming and can be adversarial at times.
   - Many CBOs complain that POD sometimes delves into "programmatic" issues or may request grammatical, spelling, and formatting changes on documentation which they cite as petty, time-consuming, and above and beyond POD's scope.

3. **Considerable time is consumed merely in obtaining approval signatures for TAs and for NMS obligations**. *For example:*

- CBOs claim they spend days every month walking around to get approval signatures. It is inefficient to drop a TA package on someone's chair or put in their inbox not knowing if they are in town, if they received it, or if corrections are needed.
- CBOs report it often takes days of "walking around" to obtain all the NMS signatures required to obligate funds in time for that month's call forward.

4. **Completion of the Evaluation Review Worksheet appears to take considerable time by the CBOs.** However, the CBOs say it only takes a few days to review and reach an approval recommendation on a CSF4 once the Worksheet is completed.

5. **Process steps for TA modifications (mods) take up much time and effort.** This seems to be a burden on staff resources. *For example*:

- 41 - TA Mods for 202(e) Obligations were conducted as of 6/5/2003.
- 92 - TA Mods were conducted for commodity levels approved 6/19/03.
- 38 - TA Mods were conducted for commodity levels pending (includes those for forward-funded FY04 program activities) as of 6/19/03.
- As FY03 comes to a close, FFP will also be modifying the TAs for FY03 fallout (commodities not called forward).

Staffing, Professional Development, and Personnel Management

1. **FFP is extremely weak in personnel resources, which is both an underlying cause and an effect of many of its organizational deficiencies.** *For example*:

   - There is no set procedure to bring new hires "up to speed."
   - There is little or no time or budget for professional development.
   - There is no full-time staff dedicated to training.

2. **FFP staff morale is generally very low, and frustration is high. FFP is viewed by many staff as an undesirable place to work, especially over the long term.** *For example:*

   - There is a strong perceived lack of a career path. FFP is seen as a "dead end" for many staff.
   - Staff express a sense of overwhelming workload, yet the consultants observe there is a curious lack of urgency in completing work tasks.
   - Staff are generally disconnected from what is happening elsewhere in FFP, DCHA, AID, or the larger food aid community.
   - The consultants noted a major difference of perspective between staff in the Emergency (EP) and Development Divisions (DP). EP staff appreciate their more streamlined approval process and enjoy contributing to urgent, highly visible events. Some EP staff view FFP development activities as undesirable: several CBOs said they would prefer to quit their jobs rather than engage in the more complex, time-consuming development program process.

3. **There is a lack of clear definition of roles, responsibilities, and priorities for many staff across FFP and between FFP and the Institutional Contractor.** *For example:*

   - AMEX has 5 analysts that are mainly used for basic administrative duties such as filing and photocopying. They could be better utilized in assisting with program reviews. However, the AMEX contract appears to limit their scope to administrative duties.
   - CBOs appear to be doing reviews but not much analysis.
   - There is not a common understanding of whether POD's role within FFP is to provide support, quality control and oversight, or a combination of both. There are complaints that POD delves "inappropriately" into programmatic issues, however this may be a problem of communication and clear definition of POD's role.

4. **Since the latest Institutional Contractor was appointed, there appears to have been an increased assumption of administrative tasks by the CBOs**. CBOs tasks appear to be more administrative in nature despite the fact that the contractor was engaged to provide a largely administrative support role. For example, the prior Institutional Contractor prepared the TA documentation, rather than just duplicating and distributing the proposal submissions. This task has now shifted back to CBOs.

5. **FFP is severely lacking in training for new hires and ongoing professional development. The lack of training leads to frustration, many mistakes, extra work, and some animosities.** *For example*:

- Currently, there is a "sink or swim" approach to learning one's duties.
- One source confides that one out of three TA modifications result from the original TA not being done correctly in the first place.
- There is no orientation training and little in-service training.
- Staff often receive conflicting advice, find it difficult to have questions answered, or find multiple answers to the same question. For example, some CBOs are unclear if the $10 million signing authority given to Division Directors applied to World Food Program projects.

6. **The distribution of workload is currently driven geographically, rather than through a shared team-based approach. This results in uneven distribution of proposals among CBOs**. Proposals are handled by CBOs based on their "portfolio" of countries for which they are responsible. As such, a CBO who is responsible for a country with many programs will tend to have a larger workload than a CBO with less active programming. This causes workload inequities within the Office.

7. **While there is a plethora of teams and working groups, there is an extremely low team-orientation within FFP.** For example, at the writing of this Report, DP staff are divided into 3 Regional Teams and a Technical Support/Analysis Team; EP staff are divided into 4 Regional Teams; POD Division staff are divided into Budget & Finance Team, and the Operations Team. There also special Action Teams for the Horn and Iraq, as well as multiple teams on strategy, budget, and training among others. **Assigning people to teams alone does not enhance teamwork.**

Systems & Technology

The SOW asked the consultants to *"review existing and proposed automated systems*" and "*make recommendations for overall system technological updates or expansion."* Below are key findings in the areas of systems and technology.

1. **The following are the key technical disadvantages of FFPIS:**

- Data entry requires a prescribed stream of sequential queries that must be input into FFPIS. One cannot proceed to the next screen until the prior one is completed. If one field is missing (due to incomplete data), then the process stops, and the person doing data entry must go back and re-input the data (as an incomplete query cannot be saved).

- It takes training/experience to know which codes to enter. Currently, one staff is the expert (with two back ups).

- The data is originally input in a "pending" mode (prior to approval). Following approval, the data must be shifted to "approval" mode. All data must be re-entered anytime there are any changes or amendments.

- The data display on the current data entry screen is archaic and non-user friendly.

- FFPIS is not currently web-based, and FFPIS reports are mostly distributed via hard copy.

2. **Data entry (input) and report generation process (output) of FFPIS is a key bottleneck in the review and approval process. However, while the FFPIS system is clearly outdated and in need of upgrades, the consultants believe a root cause of delay is due to <u>personnel, training, and management deficiencies</u>, rather than to systems problems.** *For example*:

   - FFPIS data entry clerks receive unspecific report requests from CBOs.

   - While there are serious data input limitations with FFPIS (sequential queries, inability to proceed until all data completed, need to know arcane codes, inability to see the whole screen at a time), the actual AER data to be input is often incorrect.

   - While there are data generation limitations for FFPIS, it would be extremely simple to post the reports on the intranet immediately.

   - However, FFPIS issues are surrounded by a "gate-keeper mentality" which prevents simple procedural improvements from being considered or implemented.

3. **Systems deficiencies have led staff to spend time developing parallel, "informal" systems.** Staff have developed spreadsheets that they use during the review and approval process to supplement, replace, or duplicate the FFPIS data or to avoid interaction with POD. Also, some data elements used for FFPIS input are now calculated off-line using a separate Excel spreadsheet. While staff see these activities as "innovations" to circumvent systems problems, these "shadow" processes are an inefficient use of staff time.

VII. Recommendations

The following is a summary of key recommendations for streamlining based on the analysis presented in this Report. Additional background on these recommendations may be found in other relevant sections of this Report as noted.

The recommendations are presented below in the following general categories:

- Immediate Actions
- Proposal Review & Approval Process Improvements
- External Guidance
- Internal Guidance
- Management Improvements
- Staffing & Personnel Management
- Training & Staff Development
- Communications Improvements
- FFPIS Improvements
- Improved Management of FFPIS
- Institutional Contractor
- Commodity and Financial Management
- Summary of Staffing Recommendations

Immediate Actions

In its Report to Congress, FFP should emphasize its view that the findings in Section VI. are serious, urgent, and in immediate need of attention. To this end, FFP should take the following immediate actions:

7. **Draft revised PL 480 Title II Guidelines and Policies (DAP proposal guidelines) for Federal Register issuance by August 15, with a more concise, user-friendly format**, as suggested in this Report and taking into account the key areas noted in the streamlining legislation: consistency in program review, improved information collection, and greater flexibility. Revised guidelines should:

    - Be clear, user-friendly, and incorporate guidance based on approved policy
    - Combine Guidelines and Policy Letter into one clear document
    - Provide clearer guidance on page and space limitations, format, content
    - **Stress a more rigorous definition of the 120 day approval period.**
    - Be posted on www.grants.gov, after Federal Register period, and the posting communicated to CSs

8. **Based on revised Guidelines, develop and test on-line DAP Proposal submission for FY 2005 via www.grants.gov** in order to comply with the October 1 deadline of the E-Government initiative.

9. **FFP should revise and announce immediately the timing requirements for the submission of non-emergency program proposals and results reports as follows.** The new suggested submission dates are:

    - Annual Results Report due: **November 1st** (this provides programmatic results for FFP for Congressional reporting, however it would not include year-end financials - this would be sent in with the Resource Request).

    - Resource Requests due: **January 15** (this would include year-end financials from the prior fiscal year).

    - DAP Submissions due: **February 15.**

These revised deadlines will dramatically decrease concentrated workload requirements for both Cooperating Sponsors and Agency staff.

10. **Immediately adopt, communicate, and uphold a definition of the "120 day requirement" for development proposals as follows: "***completion of all program review and approval procedures, including the approval of an Annual Estimate of Requirements, the issuance of a Transfer Authorization, and obligation of funding shall occur within the 120 day period"* (rather than the mere issuance of approval letters). Update guidance and all documentation accordingly.

11. **FFP should draft, submit for public comment, and issue an updated Agency Regulation 11 by January 15, 2004**. The updated Regulation should be included in Agency's ADS.

12. **FFP should conduct an immediate review of FFPIS data and correct any inaccuracies that exist.**

13. **FFP should take immediate action to post key FFPIS reports to the intranet**, updated daily, **improve the timing of data entry** (input) into the FFPIS, and **broaden the availability of other key FFPIS reports** (output) for use by staff in the proposal review and approval process. <u>These items can be achieved immediately with improved management and oversight, irregardless of system upgrades</u>. However, FFP should take action to upgrade the FFPIS system as described in detail in this Report to enhance database design, functionality, and web-access.

14. **Establish key intermediate process milestones and internal performance benchmarks** for the approval and TA clearance process for both Washington and missions, and **develop a meaningful tracking mechanism to manage for results**. The tracking mechanism should be updated daily by designated staff and made available on the intranet. This effort is consistent with other streamlining and quality service improvement efforts currently underway in the Office of Procurement and throughout the Agency.

15. **FFP should immediately review the remaining internal administrative and management systems improvements** recommended in the following sections, and establish a plan and timetable for implementation.

Proposal Review & Approval Process Improvements

1. **Revise the DAP Application format, streamline the contents, and provide better guidance on acceptable format and length.** *For example:*

    - Post on-line at www.grants.gov as soon as this feature is fully functional (target date: October 1, 2003).
    - Reduce data fields based on reasonable requirements which still uphold high procurement and financial management standards.
    - Request data in a format consistent with internal reporting and FFPIS data entry fields.
    - Take examples from the OFDA and USDA on-line submission format for lessons learned.
    - The application itself should provide most guidance (then the need for separate guidance would be minimal).
    - Assess and reduce sectoral reporting requirements, wherever possible.
    - Reduce page number requirements for individual sections.
    - Clarify budget data requirements.
    - Increase the dollar level for pre-identified, basic, allowable costs not requiring justification.
    - Revise and communicate new due date of February 15.

2. **Before DAPs are submitted, DP management should ensure that the process, requirements, and any new policies and other situational issues are well understood by staff. There should be a common understanding of expectations, roles, and turn-around time expected for key steps.**

3. **Test on-line submission of DAP proposals for FY 2005.** Ensure that on-line submission of proposals does indeed reduce paperwork. In addition:

    - Communicate to CSs the shift to on-line submissions, need to register, and complete the SS424 form.
    - Encourage CSs to register immediately with grants.gov.
    - Encourage CSs to provide on-line submissions.
    - Allow both on-line and email/hard copy submissions during test phase.
    - Review OFDA's and USDA's on-line proposal submission for lessons learned.

4. **Establish and uphold concept of a DAP review "season" to reinforce the priority of DAP reviews and approvals within the 120 day period following the DAP submission due date.** During the "review season," CBOs should be supported by FFP management in making review/approval their top priority. *For example*: the ISA grant reviews were done in a 3 week period, during which time review participants worked hard to fulfill the deadline. The same intensity should be given to the DAP review process. Based on the suggested revised due date, the DAP "review season" would be from February 15 to May 15.

5. **Determine key intermediate milestones and performance benchmarks for the approval and TA clearance process for both Washington and missions.** This can then be the basis for a "ticker" system to remind staff when key milestones are due.

Ideally, this can be in an on-line, web-based format, but low tech options can be useful management tools as well. Examples of milestones (to be determined by management with staff input):

- 48 hour turn-around time for generation of Line 8 and Line 17 report.
- 48 hour turn-around time for Cost Sheet review.
- 24 hour notification to CBO by POD regarding any issue/question that prevents the timely generation of FFPIS reports or Cost Sheet review.
- 72 hour turn-around on POD approval of Action memo.
- 24 hours notification to POD on TA approval information after final approval.
- 48 hours turn-around to input TA approval data into FFPIS.
- Designate appropriate turn-around time for each level of approval signatures.

6. **Issue standards on Mission reviews of DAPs.** This will help avoid any idiosyncratic Mission-level procedures. *For example:*

   - Reduce Mission review time from 45 to 30 days if possible.
   - Provide standard criteria for Mission review procedures in order to assure consistency in the review processes, as required in the legislation.
   - Clarify how to handle recommendations from re-delegated Missions.
   - Provide and clarify Mission authority to allow flexibility for modifications in existing program activity, as required in the legislation.

7. **FFP must establish a cut-off date for resolution of "threshold" issues.** The definition and timing of "threshold" issues is critical to a smoother review and approval process. The fact that "threshold" issues are raised at the "last minute" indicates that either the review process is flawed, or the definition of "threshold" is trivial and subjective. Definitions and time limits are required.

8. **Develop, maintain, and utilize a proposal workload <u>tracking mechanism</u> using the benchmarks above**. The tracking mechanism should be updated daily by designated staff and made available on the intranet.

   - Develop a tracking sheet which is useful to management, based on the benchmarks established (see above).
   - Assign responsibility for constant updating, e.g. AMEX.
   - Post tracking sheet on internal website.
   - The tracking mechanism should indicate number of proposals received, approved, pending, rejected, and indicate milestone dates to be achieved.
   - Post the tracking tool on the intranet and encourage use as a management tool.

9. **"FFP should establish clear, concise DAP guidelines which should not need revising each year. CSs should be held accountable to the guidance that was in place at the time DAPs were approved. CSs should not be required to alter the design of an ongoing DAP in order to comply with subsequent change in the guidance, except in exceptional circumstances."** This recommendation is from the *Report of the Food Aid and Food Security Assessment: A Review of the Title II Development Food Aid Program, Food and Nutrition Technical Assistance (FANTA),*

March 2002. The Streamlining Consultants fully concur with this recommendation and have repeated it here to stress management's need to finally address this issue.

10. **Develop a proposal review "checklist" for CBOs to replace the "review worksheets."** The checklist should allow only minimal narrative description and include *meaningful criteria* for the review. The checklist should also include an "approval recommendation" action indicating yes, no, or pending (with key items to be addressed).

11. **Use more standard operating procedures and standard TA language.** Efforts are already underway or in use to standardize basic provisions and language in Transfer Authorizations. These efforts should be expedited and applied as widely as possible. FFP should also give consideration to a issuing single TA per Cooperating Sponsor organization, following or modifying the model used for resource transfers to the World Food Program.

12. **FFP may wish to consider further delegations of authority to modify Transfer Authorizations.** Redelegated authority could be provided to qualified, trained staff, consistent with Agency procurement practices and regulations based on predetermined funding levels. For example, authority for modifications up to a certain dollar level could be delegated to team leaders, or other staff qualified to make procurement decisions**.**

External Guidance

1. **Revise DAP proposal guidelines immediately, combine with Policy Letter, and post on www.grants.gov.** (See earlier recommendation under Immediate Actions.)

2. **Ensure that on-line proposal applications can be submitted for FY 2005 proposals, via www.grants.gov.**

3. **Finalize and distribute Guidelines for Consortium Proposals and Budgets**.

4. **Issue revised, written Guidelines on Developmental-Relief**, including internal review/approval process and application guidelines.

5. **Issue revised, written Guidelines on Section 202(e) programming, and if necessary, on ITSH funding.**

6. **Revise and publish new Regulation 11.** (See earlier recommendation under Immediate Actions.)

Internal Guidance

1. **Develop a clear, written, transparent Process and Procedures Manual for internal office use for both emergency and non-emergency proposal reviews.**

- Include step-by-step guidelines for review, approval, and TA clearance process.
- Assign responsibility for updating the guidelines with "official" changes.
- Post the Process and Procedures Manual on internal intranet, and have several office hard copies available in the office.
- Develop standardized approval language on key topics to expedite CBO drafting of TAs and POD reviews (e.g. 202e purchases).
- Clear procedures should be documented for both emergency and development programs.

2. **Develop clear, <u>templates</u> for frequently used items such as the Action memo**. Templates should be used as much as possible to expedite and standardize internal procedures for commonly used items. The templates should be made available on the intranet. Designate a role to ensure the templates are kept updated and relevant.

3. **Clarify roles, responsibilities, and authorizations**, including:

    - Must both Deputy Director and Director sign all TAs?
    - What signing authority should a PSC have?
    - What signing authority should be delegated to Team Leaders?
    - Clarify process roles for CBOs, POD, and the institutional support contractor.
    - Clarify who has the final word in resolving policy differences, e.g. "What can be funded under 202e?"

Management Improvements

1. **FFP must establish a procedure to be more systematic, timely, and transparent on finalizing policy decisions. There should be a clear, consistent, transparent decision-making process to determine "official" policy changes or notices.** It is essential to determine the circumstances for an "official" policy change, how to document it, and how to communicate it effectively and immediately.

2. **Management needs to resolve internal disputes/lack of clarity on several key policy issues. FFP policies must be clearly communicated in improved, internal written guidelines.** *For example*:
   - Establish office-wide understanding that 120 days means approved TA and funds obligated.
   - Clarify exactly what items/issues are required to trigger a full DAP amendment.
   - Clarify who should review development-relief proposals and where the CSs should send them. It is currently not clear if the review process starts at EP or DP or through some other arrangement.
   - Stress that FFP can approve Operational Year Budgets, and programs within those budgets, even in the event of a Continuing Resolution.
   - Clarify, with an official legal interpretation, the funding parameters of Section 202(3) and ITSH funding.

3. **Consider designating "approval hours"** at a certain time or day when signatories are available to sign TAs, NMS obligations, and other actions.

4. **CSR4s must be streamlined (including their budget reporting requirements)** to determine how much information is really required from CSs. Currently, CSs provide a budget and the burden is on CBOs to compare the budget to prior years. Instead, CSs might be required to merely show how the budget has changed and why. CBO suggestions should be considered on how to better track and convey results information. The suggested separation in reporting for results reporting (11/1) and resource requests (1/15) should help FFP to identify better methods and respond to needed changes more quickly.

5. **Attention must be focused on reducing the huge volume of TA modifications that are made, often several times, for the same proposal.** Unless this problem is addressed, it will be extremely difficult for FFP to achieve a complete "approval" package (with an accurate, signed TA) within the 120 period required by law.

6. **Streamline language and steps for "fallout" modification and de-obligation of funds.** POD offers this sample language that would be sufficient for action memo documentation for a de-obligation of tonnage and related non-commodity costs for confirmed fallout: *"In accordance with confirmed fallout in FY 200X as noted in POD Info memo No. X, the approved tonnage is reduced...."*

Staffing & Personnel Management

1. **FFP needs to shift to a more team-oriented work culture**. **A team-oriented approach with improved management oversight overall is needed, rather than a major reorganization.** Re-organizing the structure into teams will not, in itself, encourage teamwork. Conversely, increased teamwork can and should be encouraged, even without a formal change in organizational structure. There is a full schedule of regular team meetings at FFP; however, this is not the best use of staff time. While teamwork is highly encouraged, FFP management should review the effectiveness and necessity of the various teams and use meeting time effectively.

   Teamwork should be cross-functional and emphasized by management direction and example. Such as:

   - Conduct professional team-building sessions among the management team, within functional teams, and cross-functional teams.

   - Share with CSs the Proposal Review Worksheet and Evaluation Worksheet so they will clearly understand how the DAP/CSR4s will be evaluated.

2. **Managers must hold staff accountable for results.** This can be achieved by improved senior management direction and emphasis and management tools such as improved CBO review check lists.

3. **Management should consider three new CBO positions and ensure even distribution of proposal reviews among CBOs** to improve workload burden. This would require a shift to a more team-oriented approach. The requirement for additional CBOs is driven by the high volume and the variable nature of the workload. Additional staff would: provide greater flexibility in team assignments; enable FFP to handle workload surges during review periods; help FFP to address documentation requirements; ensure coverage during field travel; and allow for special assignments or urgent priorities. **Regardless of the number of CBOs, management should work with staff to determine how the non-emergency and emergency workload should best be distributed.**

4. **Immediately cease requiring CBOs to physically walk TA and NMS documentation around to POD or to other approval signatories**. Suggestions include:

   - POD returns the item to CBO when completed.
   - Reduce the number of steps/signatures required.
   - Consolidate office space to closer proximity.
   - Try an internal document transfer cart service that makes the rounds several times a day (this is standard practice in many large organizations).

Training & Staff Development

1. **Establish a Training Unit within FFP that is responsible for training new hires, updating both Washington and field training courses, and developing new training modules for on-going professional development**. The Unit would be staffed by a full-time Training Officer and 1-2 additional staff. Training items that must be addressed include:

    - Food Aid Managers course provided more frequently
    - Formalized NEPS training
    - NMS training for CBOs
    - Training in the DAP review process for FFP
    - Training for PVOs on USAID expectations for proposals (budgets)
    - Training on emergency programs
    - Professional and technical refresher training
    - Ongoing training and improved internal communication on interpretations of legislation
    - Additional training needs raised by FFP staff in the streamlining surveys (See Annexes F – I).

2. **Focus on developing a career path for CBOs** to reduce staff turnover and professionalize the position. This includes the need to:

    - Assure "laddering" of professional positions
    - Develop a clear basis for how CBOs will be evaluated
    - Identify potential for job advancement and field placement

3. **FFP management should finalize individual work plans and professional development/training plans for all staff.**

4. **Establish a meaningful, uniform approach to training of new hires.** This should include assignment of "mentors" to new employees.

Communications Improvements

1. **Improve communications within the Office.** This includes communication of internal office policies, procedures, authority levels, and travel schedules.
   For example:

   - Ensure all travel schedules are posted on the intranet.
   - Have Managers check travel requests against the Travel Schedule prior to clearance. This will ensure proper coverage within the Office at all times.
   - Assign responsibility for posting travel plans onto Travel Schedule and updating as needed.
   - Communicate "official" policy decisions to all staff, clearly and immediately.
   - Solicit input from all staff on how inter-office communications can be improved.

2. **Division Directors should meet regularly (without Team Leaders) to identify and work out areas of dispute and clarify procedures.**

3. **Designate an Information and Communications Officer role at FFP/Washington to ensure consistent, accurate internal and external communications for FFP.** This individual will be responsible for ensuring that decisions in meetings are communicated and that the website and intranet is updated.

4. **Improve communications between FFP and Cooperating Sponsors and to other parts of the Agency.** Ensure a method for "official" communication of key policy changes or developments.

FFPIS Improvements

Below are a list of technology improvements that should be made to FFPIS.

1. **Immediately post key FFPIS reports to the intranet, updated daily**. This can be done in the interim, while other upgrades and enhancements to FFPIS are considered.

2. **FFP should immediately review FFPIS data and correct any inaccuracies that exist.** Steps should be taken to ensure that FFPIS data is continuously updated. There should be an internal inquiry to determine the root cause and address any problems, whether due to lack of training, lack of attention to detail, or lack of management oversight.

3. **Upgrade immediately the operating system and database version for FFPIS.** Immediate upgrades are needed to keep the system current and provide a basis for future improvements. These basic platform tools will help make FFPIS web-enabled as further enhancements are made. These upgrades are of minimal cost, will keep the system current, and provide a basis for future improvements such web-based data entry and retrieval.

4. **Acquire a "back-up" server to safeguard FFPIS data and provide a "test" environment for needed enhancements.** This copy would serve as a much-needed backup system. It would also ensure that testing can be done on future improvements without compromising original data or jeopardizing the system.

5. **Redesign the FFPIS database to improve data entry screens (input) and report generation (output) and convert to a web-enabled system. A complete overhaul of the system is not required, and replacing the system is not necessary at this time**. Rather, the database could be designed to store and report data in a way that is much easier to use and obtain. The key factor for success will be FFP involvement to define exactly what is needed. Key steps would include:

   - Perform a requirements analysis to identify exactly what FFP users want and need for data entry screens and report generation (including the type of reports).
   - Based on the requirements, management decides the scope and timing of enhancements.
   - Develop and test a prototype.
   - Once complete, make the system enhancements operational.

   Any future enhancements to FFPIS should also address:

   - Electronic approval forms that can be reviewed and forwarded electronically.
   - Redesign of the data tables so that the data is consistent with TA documentation.
   - A solution for transferring data directly from a grant application form to the FFPIS database.

6. **Enable FFP staff able to query the FFPIS database for information from their desktop computers:** Currently, all users log into the FFPIS server, where all applications are then executed. Once the recommendations above are implemented, the current applications can be rewritten to create the user/system interfaces necessary to operate the FFPIS as a "true client-server environment." Such an enhancement can be made at reasonable cost, would not involve changing the database modules, with results transparent to users. The benefits would be improved access and faster retrieval time for report data. Additional users could be added as needed.

Improved Management of FFPIS

While FFPIS has serious limitations, it has unfortunately become a scapegoat for process delays at FFP which have less to do with technology and more to do with deficiencies in management, oversight, and communication. Clearly FFPIS has its technological limitations as detailed above. However, any system, no matter how advanced, must be managed effectively and designed as appropriate to the needs of users.

There are several key items that FFP could address immediately to improve the effectiveness of FFPIS through sound management practices *regardless of any upgrades or enhancements that may or may not be made to FFPIS.* These suggestions for management are:

- Establish an internal standard for data entry of AERs (e.g. 48 hours turnaround) and report generation (e.g. 48 hours following request) to ensure timely turnaround, and establish an internal "customer service orientation."

- In order to track the above standard, start a "Data Entry Request Log" showing date, time, item, and requestor. The date/time the data entry was completed should also be noted. Management should check the log periodically to ensue that this internal standard is being achieved.

- Provide clearer guidance to data entry staff on how to prioritize report requests. Communicate these priorities to FFP staff to manage expectations. For example, during the DAP review period, DAP-related data entry and report generation should be top priority.

- Establish a standard operating procedure for communication between data entry staff and CBOs in the event of defective or incomplete AER data.

- Mentor staff that conduct data entry and generate reports to shift from a "gate-keeper" mentality to an internal "customer service" orientation.

Institutional Contractor

1. **Utilize the Institutional Contractor more effectively.** The current contract focuses only on administrative support. This limits the contractor's ability to support other FFP needs. FFP should review the contract to ensure this important resource is used most effectively.

2. **FFP management should review and finalize an Action Plan for AMEX consistent with the recommendations in this Report, as applicable.**

Commodity and Financial Management

1. **FFP should consider having a separate "Financial Management and Budget Unit"** with additional financial and budget analysis staff. This would enable FFP to separate financial management and budget functions from commodity management functions. The Financial Management and Budget Unit would be led by a full-time, experienced USAID Controller. This would greatly enhance FFP's ability to handle financial and budgetary matters more promptly, efficiently, and consistently.

Summary of Staffing Recommendations

1. Employ a full-time, experienced Agency Controller.

2. Employ two additional financial management / budget analyst staff.

3. Employ three additional CBOs.

4. Employ a full-time Training Officer, and a Training Unit with an additional 1-2 staff.

5. Designate an Information and Communications Officer.

VIII. Proposed Action Plan & Timetable for Implementation

The attached Action Plan is intended to ease implementation and decision-making required to carry out the recommendations proposed in this Report. The Action Plan may also serve as a checklist to monitor progress on implementation outcomes.

It lists recommendations **in priority order,** key actions, timing, expected outcome, and estimated level of effort (LOE). LOE refers to the equivalent number of 8-hour days required to complete an action. For example, 4 days of LOE could be accomplished by one individual in four days, or two individuals in two days.

FFP will need to review the Action Plan and make its own decisions for prioritizing next steps. Management attention to implementation details will be crucial given the enormous opportunity that exists to substantially improve FFP management and operations.

Proposed Streamlining Action Plan and Timetable for Implementation

(See Section VII. Recommendations and Required Actions for more details on recommendations.)

	Priority	Recommendation	Action	Timing	Expected Outcome	Estimated LOE / Cost
1	**HIGH**	**Change dates for DAP submission and CSR4s**	Make immediate announcement to Staff and Cooperating Sponsors	IMMED.	Substantial easing of workload for both FFP and CSs On-line Guidelines available by Sept. 15	2 days
2	**HIGH**	**Revise DAP guidelines content and convert to on-line submission format**	Ensure revision incorporates & explains policy Ensure format is brief, user-friendly, clear Post in Federal Register by 8/15/03 No separate Policy Letter Test on-line DAP Proposal submission Communicate availability to Staff & CSs	Begin IMMED. Post in Fed Reg By 8/15/03 End 9/22/2003	Improved guidelines Feedback on guidelines DAP Guidelines and proposal submission format on-line 10/1/03 Improved quality of proposals received Faster turn-around time on proposal reviews	15 days LOE by 8/15 1 week to intake comments
3	**HIGH**	**Clarify, communicate, and manage definition of 120 day rule**	Management issues clarification to staff and CSs Include in Guidelines	Begin IMMED End 9/15/03	100% achievement of 120 rule No breakdown in the process due to uncertainty	2 days (part of #2 above)

Proposed Streamlining Action Plan and Timetable for Implementation

	Priority	Recommendation	Action	Timing	Expected Outcome	Estimated LOE / Cost
4	**HIGH**	**Update & Rewrite Regulation 11 & include in ADS**	Submit to Federal Register 12/1/03 Issue an updated Agency Regulation 1/15/04 Include Reg 11 in ADS Communicate final result to Staff	Begin IMMED End 1/15/04	Clear guidance on Regulation 11 Availability in ADS Ease in understanding and complying with the Regulation	40-60 Days (start to finish)
5	**HIGH**	**Improve CSR4 Guidelines and streamline CSR4 reporting requirements**	Split Results and Resource Reporting Review actual data requirements Simplify budget reporting Review Guidelines accordingly Post Guidelines on internet Communicate to Staff and CSs	Begin IMMED. End 9/15/03	Easing of workload for both FFP and CSs Improved quality of CSR4s	20 – 30 days
6	**HIGH**	**Post key FFPIS reports to Intranet**	Identify reports needed Work with Institutional Contractor to have uploaded, ensuring updated daily Communicate password to all Staff in Washington and field	Begin IMMED End 8/15/03	Wider access to FFPIS data should relieve bottleneck and speed the process Availability of FFPIS reports to the field (assuming intranet access) Reduced staff frustration	3-5 Days
7	**HIGH**	**Review FFPIS data to ensure accurate and updated**	Review data accuracy Update if necessary Develop means to ensure continued accuracy	IMMED.	Updated accurate data Improved budgeting	2-3 days

Proposed Streamlining Action Plan and Timetable for Implementation

	Priority	Recommendation	Action	Timing	Expected Outcome	Estimated LOE / Cost
8	HIGH	**Establish key intermediate process milestones and internal performance benchmarks**	Identify milestones within the approval process Establish timing benchmarks (e.g. "Issues Letter within 20 business days of submission) Include standards on Mission reviews of DAPs Communicate to staff Managers hold staff accountable	Begin IMMED. End 10/1/03	Actively used management tool Greater accountability Improved awareness of key components and responsibilities for all involved Faster approval process time	10- 20 days
9	HIGH	**Develop a proposal status tracking mechanism**	Work with Institutional Contractor to develop useful tracking format Post tracking sheet on intranet Assign responsibility for updating (once a week at a minimum) Communicate availability to Staff Managers hold staff accountable	Begin IMMED. End 9/15/03	Management knows at any time the current status of process steps Actively used management tool to monitor progress and increase accountability Ability to spot problems early on in the process	3 - 5 days

Proposed Streamlining Action Plan and Timetable for Implementation

	Priority	Recommendation	Action	Timing	Expected Outcome	Estimated LOE / Cost
10	**HIGH**	**Upgrades and enhancements to FFPIS to make user-friendly, web-enabled, with secure back-up**	Upgrade FFPIS's operating system and database version Acquire a "back-up" server for FFPIS Prepare requirements analysis FFP determines its needs Work with selected vendor to redesign the FFPIS database to improve data entry screens (input) and report generation (output) Develop prototype for web-enabled FFPIS Post FFPIS reports on internet (with password) Communicate availability to Staff Reassign job duties as required	Begin IMMED. End 2/15/03	Updated operating system & database Operational back-up in place Prototype for web-enabled FFPIS Ability to access updated, accurate FFPIS Reports anytime they are needed in Washington or field Faster generation of special FFPIS reports on demand Easier manipulation of data Secure, reliable, well-functioning, up to date system with back-up Ease staff frustration	TBD
11	**HIGH**	**Issue revised, written Guidelines on <u>Section 202(e)</u> programming, and if necessary, on <u>ITSH</u> funding.**	Obtain GC interpretation Draft Guidelines Include reference in DAP Guidelines	Begin IMMED. End 9/15/03	Clear Guidelines Faster review time due to resolution of disputes	15 – 20 days

Proposed Streamlining Action Plan and Timetable for Implementation

	Priority	Recommendation	Action	Timing	Expected Outcome	Estimated LOE / Cost
12	**HIGH**	**Develop clear, templates for frequently used items such as the Action memo**	Prioritize templates needed Draft standard language & develop Work with Institutional Contractor to post on intranet Communicate availability to Staff	Begin 9/1/03 End 10/1/03	Clear templates available on intranet (with instructions) for all who need them Increased consistency, reduced error, improved timeliness Facilitate training new hires	10 – 15 days
13	**HIGH**	**Address top priority management & workload issues**	Clarify roles, responsibilities, and authorizations Clarify how final policy decisions should be made, and who is the "final word" Establish clear procedure for policy development / Utilize new Technical & Policy Division to define policy development Establish and uphold concept of a DAP review “season" Establish a cut-off date for resolution of "threshold" issues Designate day/time for when approval signatories will be available	Begin IMMED. End 10/1/03	All staff understand roles & responsibilities Everyone has the authorizations they need (that are allowable) No breakdown in the process due to uncertainty on who is responsible	20 – 30 days

Proposed Streamlining Action Plan and Timetable for Implementation

	Priority	Recommendation	Action	Timing	Expected Outcome	Estimated LOE / Cost
14	**HIGH**	**Finalize individual work plans and professional development/training plans for all staff**	Managers take the necessary steps for finalize workplans Managers meet with staff members for input on individual development plans, and training needs	Begin IMMED. End 12/1/03	More capable and informed staff Increased opportunities for career enhancement Reduced staff turnover / better morale	2 – 5 days per staff member 5 days per Manger
15	**HIGH**	**Revise & finalize AMEX Action Plan**	FFP management coordinates with AMEX to ensure Action Plan takes these Report recommendations into account	IMMED.	Clear role and responsibility Improved usage of Institutional Contractor to meet FFP needs	5 days
16	**MEDIUM**	**Finalize and distribute Guidelines for <u>Consortium</u> Proposals and Budgets**.	Draft Guidelines Include reference in DAP Guidelines Provide budget guidance Post on website Communicate availability to Staff & CSs	Begin 9/1/03 End 12/1/03	Clear, available guidelines Greatly improved quality of Consortium proposals Faster review time	30 days

Proposed Streamlining Action Plan and Timetable for Implementation

	Priority	Recommendation	Action	Timing	Expected Outcome	Estimated LOE / Cost
17	**MEDIUM**	**Issue revised, written Guidelines on <u>Developmental-Relief</u>**	Draft Guidelines Include reference in DAP Guidelines Provide budget guidance Post on website Communicate availability to Staff & CSs	Begin 9/1/03 End 12/1/03	Clear, available guidelines Greatly improved quality of Consortium proposals Faster review time	30 days
18	**MEDIUM**	**Develop a clear, written, transparent <u>Process and Procedures Manual</u> for internal Office use**	Identify key processes/procedures to be documented Select appropriate, readable format Draft Manual Vet Manual with Staff Finalize Manual, & put on-line Communicate availability to Staff	Begin 10/1/03 End 12/1/03	Clear instructions for all staff More standardized operating procedures Facilitate training new hires Add transparency to process	30 – 40 days

Proposed Streamlining Action Plan and Timetable for Implementation

	Priority	Recommendation	Action	Timing	Expected Outcome	Estimated LOE/ Cost
19	**MEDIUM**	**Employ two additional finance/budget staff, an experienced Controller, and three new CBOs**	Obtain USAID approval Determine job duties & function	Begin IMMED. End 2/1/03	Assured, available expertise in financial management Increased capacity to manage financial/budget workload Increased capacity and flexibility for proposal reviews	10 – 20 days (not including recruitment time) Salary & benefits
20	**MEDIUM**	**<u>Establish a Training Unit within FFP,</u> led by a Training Coordinator**	Obtain Office of Management support Establish training curricula Identify support requirements for the Training Unit Determine job duties for a Training Coordinator	Begin 10/1/03 End 2/1/03	More capable and informed staff Increased opportunities for career enhancement Reduced staff turnover	20 – 40 days
	MEDIUM	**Conduct professional team-building sessions among the management team, within functional teams, and cross-functional teams.**	Obtain professional support from HR or outside expert Plan timing of sessions Conduct several 1-2 days sessions	Begin 9/1/03 End 1/1/04	Better functioning teams Improve morale More efficient work distribution	10 – 25 days
22	**MEDIUM**	**Designate an Information and Communications Officer**	Determine duties Develop Workplan Assign duties or hire	Begin 10/1/03 End 1/1/04	Improved communications within and outside office All FFP information maintained & updated	5 – 10 days