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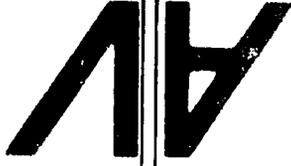
9. ABSTRACT
 For the past 28 years, the Advisory Committee on Voluntary Foreign Aid, an appointed public-membership body established by Presidential directive, has served as a liaison between the U.S. government and U.S. voluntary agencies engaged in foreign assistance activities. During those years, voluntary agencies have recorded a remarkable record of service in their efforts to alleviate human suffering. In this "Look to the Future," the Advisory Committee has attempted to examine the environment in which voluntary agencies can expect to perform their future mission, and to identify the ways in which their important work can be facilitated and their commitment to serve be enhanced. Twelve recommendations are made. Chapters in this report discuss and elaborate upon the reasoning behind those recommendations. Excerpts from the recommendatory statements: 1) The Foreign Assistance Act should be amended to enable voluntary agencies registered with and approved by the Advisory Committee to apply for the use of U.S. government resources or facilities to assist their programs overseas. 2.) Efforts to strengthen the partnership between government and voluntary agencies should include greater participation in program initiation and development, and not just project implementation. 3.) A Program Initiation Fund should be established to facilitate innovative pre-project field research by voluntary agencies. 4.) The voluntary agencies and government should recognize that the strengthening of indigenous voluntary organizations can be an act of development in itself. 5.) A conference should be called to bring together representatives of the UN Development Program and voluntary agencies, to promote closer collaboration. 6.) New Congressional legislation should be enacted to assure the availability of U.S. food for overseas emergency needs and development assistance programs in the developing countries. 7.) Voluntary agencies and the U.S. government should jointly give attention to revising the regulatory and

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administrative processes governing food distribution programs. 8.) A Task Force on Refugee and Disaster Services should be established under the auspices of the Advisory Committee. 9.) The provision of services in foreign disasters, by the U.S. government, voluntary agencies, and the U.N., should be better coordinated. 10.) Voluntary agencies should emphasize long-term development in the design and conduct of their overseas activities, and A.I.D. should provide them funds for such purposes. 11.) Voluntary agencies should collaborate in efforts to broaden the base of public support for the principle of voluntarism and the relief such activities overseas provides. 12.) The subject of registration of voluntary agencies with the U.S. government should be kept under continuous review, taking account of evolving needs, different categories of registration, and criteria suitable to the different types of service provided by registered agencies.

The Role of Voluntary Agencies in International Assistance

	<p>A LOOK TO</p>
	<p>THE FUTURE</p> <p>The Advisory Committee on Voluntary Foreign Aid Agency for International Development Washington, D.C. 20523 April 1974</p>

LETTER OF TRANSMITTAL

Tucson, Arizona
March 1974

Dear Mr. Parker:

I have the honor to transmit herewith a copy of the study, with recommendations, entitled **The Role of Voluntary Agencies in International Assistance: A Look to the Future**, which has been prepared for publication by the members of the Advisory Committee on Voluntary Foreign Aid.

Sincerely yours,



Margaret Hickey
Chairman
Advisory Committee on
Voluntary Foreign Aid

Mr. Daniel Parker
The Administrator
Agency for International
Development
Department of State
Washington, D. C. 20523

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FOREWORD

This study, with recommendations, entitled *The Role of Voluntary Agencies in International Assistance: A Look to the Future*, has been prepared for publication by the members of the Advisory Committee on Voluntary Foreign Aid.

They gratefully acknowledge consultation with, and the advice of, many agencies and institutions, public and private, which have responded to an invitation to assist in this study with notable cooperation and interest. The recommendations and views expressed in the pages which follow are, of course, the responsibility solely of the Advisory Committee. Although not every member has subscribed to every detail, the study reflects a true consensus and final approval of the recommendations.

In charging itself with such a study at its meeting on November 18, 1971, the Advisory Committee undertook to assess a broad range of issues vital to the future involvement of voluntary agencies in international assistance and development and the strengthening of the time-tested partnership of these agencies and the U.S. Government. Significantly, the request for the study came from the voluntary agencies; their leadership, especially that of the American Council of Voluntary Agencies for Foreign Service, has been a resource of great consequence.

Soon after its inception, a task force of Committee members, including Mr. Clifford R. Hope, Jr., Chairman, Ms. Martha E. Irvine, and Mr. Ugo Carusi, began identification of the issues and various areas of concentration. Early in their deliberations, Professor Darrel Randall, Director of American University's Center of International Studies, with a panel of students, provided technical and substantive assistance. The Advisory Committee recalls with great appreciation the inspiration given by Mr. Charles P. Taft, Chairman Emeritus of the Committee, and Mr. Howard S. Kresge, Executive Director when the study was initiated. At all times the relevant bureaus within A.I.D. and the Department of State, particularly Dr. Jarold A. Kieffer and the staff of

the Bureau of Population and Humanitarian Assistance, have given generous and expert assistance. It should be understood that, although publication of this report was made possible by A.I.D. financial support, the views expressed are not necessarily endorsed by A.I.D.

The Advisory Committee has been ably assisted by Mr. William H. McCahon, former Executive Director of the Advisory Committee, Mr. Gordon Alderfer, and, in the final stages of writing, by Dr. John R. Schott.

After the report had been drafted, it was submitted to the widest possible review and appraisal by three reaction panels. The first was held at the Department of State, Washington, D.C., and was chaired by Dr. Gordon M. Cairns, the Vice Chairman of the Advisory Committee, who also chaired the second panel, held at Greyston House, Columbia University, with representatives of 32 U.S. voluntary agencies. A third panel was held at the Faculty Center, University of California at Los Angeles, with leaders from 13 other agencies. The names of the participants at all these panels, along with their affiliations, are listed in Annex C. In the final drafting, the Advisory Committee has drawn heavily on the reflections of participants at these panels for revisions in the final report.

The Advisory Committee recognizes that this study can be considered only a partial view of the future role of voluntary agencies, and that the complex relationships existing between public and private agencies involved in overseas assistance must be a continuing one. It is, therefore, its hope that this study will result in a critical appraisal of the conclusions and awaken concern and stir action among all those concerned with America's investment in foreign assistance activities.

Finally, the Advisory Committee believes the American people will make the sacrifices necessary to sustain our moral obligation and humanitarian commitment to assist those in need overseas.

MARGARET HICKEY, CHAIRMAN

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(July, 1973-January, 1974)

ABBREVIATIONS FOUND IN THE TEXT

Advisory Committee	Advisory Committee on Voluntary Foreign Aid
A.I.D.	Agency for International Development
American Council	American Council of Voluntary Agencies for Foreign Service
CCC	Commodity Credit Corporation
ECOSOC	Economic and Social Council of the United Nations
FAO	Food and Agriculture Organization of the United Nations
FDRC	Foreign Disaster Relief Coordinator, A.I.D.
ICEM	Intergovernmental Committee for European Migration
ICRC	International Committee of the Red Cross
IESC	International Executive Service Corps
IRO	International Refugee Organization
LICROSS	League of Red Cross Societies
NIB	National Information Bureau, Inc.
NSF	National Science Foundation
OAS	Organization of American States

ORM	Office of Refugees and Migration, Department of State
TAICH	Technical Assistance Information Clearing House
UN	United Nations
UNDP	United Nations Development Program
UNDRC	United Nations Disaster Relief Coordinator
UNECA	United Nations Economic Commission for Africa
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Fund
UNROD	United Nations Relief Operations, Dacca
UNRRA	United Nations Relief and Rehabilitation Administration
UNRWA	United Nations Relief and Works Agency for Palestine Refugees
USEP	United States Escapee Program
USRP	United States Refugee Program
WFP	World Food Program
WHO	World Health Organization

INTRODUCTION

It has been twenty-eight years since the Advisory Committee on Voluntary Foreign Aid, an appointed public-membership body, was established by Presidential directive to serve as a liaison between the United States Government and U.S. voluntary agencies engaged in foreign assistance activities.

During these years, a remarkable record of service has been recorded by voluntary agencies in their efforts to alleviate human suffering and to help others overcome the ravages of disease, malnutrition, and natural and man-made catastrophes.

In these same years, profound changes have taken place in the total environment, here and abroad, in which U.S. voluntary agencies have performed their great humanitarian mission. These changes are, in turn, producing fundamental changes in their relationships with their constituencies here at home, and between these same agencies and the U.S. Government, multilateral organizations, and the governments and peoples of the countries in which their inspired contributions to others have been made.

In recognition of the rich history of voluntary service abroad and the role which the voluntary agencies will be called upon to play in the years ahead, the Advisory Committee has attempted to undertake this "Look to the Future"—to examine the environment in which voluntary agencies can expect to perform their future mission, and to identify the ways in which their important work can be facilitated and their commitment to serve others underscored and enhanced.

Such a re-examination of the role of U.S. voluntary agencies is particularly timely. Voluntary agencies find themselves in a transitional period of profound self-analysis, as they clarify and reassess their distinctive roles and the ways whereby they can most effectively perform them in the years ahead.

Recipient countries have made great strides over the past quarter of a century and are more determined and capable than ever to decide their own des-

tinies and to work in concert with others in the enterprise of development.

In the public mind, the overseas work of voluntary agencies is traditionally associated with natural disasters, to which they have invariably been among the first to respond, and with the alleviation of the ravages of starvation, disease, and illiteracy.

These services constitute, however, only a portion of the wide-ranging activities in which the U.S. voluntary agencies are today engaged overseas. The expansion of their traditional responsibilities has occurred largely in recognition of the need to focus less on the consequences of underdevelopment and more on its underlying causes. Thus, in recent years, many agencies have begun to undertake work of a long-term developmental nature in conformity with host country development plans. They share in establishing the framework of institutions through which peoples abroad can help themselves, their families, their communities, and their countries.

The magnitude and breadth of voluntary agency programs abroad, now being undertaken in some 133 countries and areas of the world, are little known and perhaps even less appreciated. But, as a factor in assisting peoples less fortunate than ourselves, the extraordinary work of U.S. voluntary agencies abroad ranks in importance and effectiveness with those of the larger publicly-funded governmental programs whose accomplishments are more widely known only because they tend to be more visible and better publicized.

Yet success is not without its accompanying troubles. While public support for the idea of giving U.S. assistance to underdeveloped countries is reputedly at an historic high, a steady decline is occurring in the ratio of individual charitable contributions to adjusted gross individual income. At the same time, overhead expenses of voluntary agencies are constantly rising. Funding difficulties are also developing from the proliferation of voluntary agencies and increasing competition for scarce contributions, especially when foreign disasters strike and special-

purpose agencies appear briefly on the scene.

A reordering of the priorities of the U.S. Government is also having a deleterious impact on many agencies. Cutbacks in overseas development funds limit resources once available to voluntary agencies. Drastic reductions in the availability of food commodities, once in abundance, are severely hampering many agency programs as well as those of their host country counterparts. The Tax Reform Act of 1969 has led to a reduction of in-kind contributions to particular agencies of much-needed supplies such as medicines by more than a half. And further proposed changes in tax laws now threaten the tax deductible status of other forms of voluntary contributions from the public.

Voluntary agencies operating overseas now find it essential to establish new and innovative relationships with the U.S. Government, with the governments of the developing countries, with emerging indigenous voluntary agencies, and with multilateral institutions, especially the United Nations. Coordination of activities, if not collaborative programming, is becoming more and more necessary in international assistance.

But, whatever the current problems, and however they are resolved, it is critically important that voluntary agencies be encouraged to continue to perform their unique role in international development. Government cannot do it all. Nor can voluntary agencies go it alone, performing their invaluable services without reference to the network of bilateral and multilateral instruments which exist alongside them in the field.

The Foreign Assistance Act of 1973 encourages the growing interrelationship between the private and public agencies. Explicitly calling for a "new approach" to development, this legislation should provide voluntary agencies with unusual opportunities to work in partnership with government agencies.

In shaping the new approach, the House Foreign Affairs Committee declared:

Our assistance must be concentrated on the most

urgent problems of the poorest majority in the developing countries.

We must share our expertise and problem-solving know-how rather than making large-scale capital transfers to the countries.

We must move away from government bureaucracies, both in our own and the developing countries, and toward greater involvement of the private sector.

What the House Foreign Affairs Committee has recommended is that U.S. assistance programs now focus on those areas in which voluntary agencies have traditionally been most active—the local or community level in the developing countries, usually among the poorest segments of the population. It also means that voluntary agencies are being given more explicit official encouragement than ever before to pursue their traditional approach to development in more sophisticated ways, with the prospect of new forms of government subventions or other assistance to do so.

To take advantage of the opportunities which changing circumstances and this new foreign aid legislation afford them without endangering their independence, diversity, and flexibility, thus becomes the great challenge before the U.S. voluntary agency community.

This study is designed to address this challenge. In so doing, it will attempt to articulate some of the major problems which currently face voluntary agencies involved in overseas assistance and recommend steps which they and others can take to strengthen and eventually solidify the "new equation" which appears to be evolving between government and private sectors in international assistance.

The complexity and magnitude of this challenge, and the variety of ways in which it can be met, are far beyond the scope of any one document. Therefore, this report constitutes only the start of what will be a continuing examination and assessment of the future of U.S. voluntary agencies abroad by the Advisory Committee.

The report does not aim at definitiveness. Rather, its objective is to provide a broad-brushed treatment

of a complicated subject which will be of general interest to a wide variety of people concerned with the future of voluntary foreign aid. Appealing to audiences with particular interests will be a subsequent series of specialized reports elaborating on the recommendations and problems discussed in the pages that follow. Eventually they will also focus on the even more critical relationships evolving overseas between voluntary agencies and host governments, indigenous voluntary agencies, recipient peoples and institutions, and other external donors.

In addition, the Advisory Committee intends to reconsider the role it has been statutorily called upon to play in the hope that it can perform, in the years ahead, an increasingly helpful liaison and informational function between the variety of public and private voluntary agencies assisting the developing countries of the world. An Annex to this report on one of the major functions performed by the Advisory Committee—the registration of voluntary agencies eligible to receive certain government subventions—is an initial effort in this direction.

For ease of reading, the recommendations contained in the body of this report are summarized in a short section which follows. Subsequent chapters discuss and elaborate upon the reasoning behind these recommendations. Chapters I and II focus on evolving relationships which should be strengthened between U.S. voluntary agencies and the U.S. Government, multilateral agencies, and the peoples and governments of host countries. Chapters III through VI examine the problems which voluntary agencies face and the roles they play in four principal programming areas: Food Aid, Refugee Assistance, Disaster Relief, and Development Assistance. The report concludes with a chapter on the domestic needs and prospects of voluntary agencies as they seek to maintain and hopefully broaden the support and active participation of the American people in voluntary overseas assistance at this critical time of public introspection and apparent preoccupation with domestic concerns.

SUMMARY OF RECOMMENDATIONS

1. Statutory clarification of the evolving role and changing character of voluntary agencies in relation to the Government is needed to reflect a new partnership between them in the provision of foreign assistance. The General Authorities section of the Foreign Assistance Act should be amended to include the following language:

It is the sense of Congress that the President, through the foreign assistance instruments of the United States, shall directly encourage and support, to the maximum extent practicable, the international assistance efforts, aims, and activities of U.S. voluntary organizations qualified for such service. Voluntary agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid shall, whenever they may wish, apply for the use of U.S. Government resources or facilities to assist their programs overseas.

2. Efforts to strengthen the new partnership which is evolving between government and voluntary agencies should include:

- (a) greater participation in program initiation and development, and not just project implementation;
- (b) better understanding and tolerance of the fundamental differences between the public and private sectors, particularly as regards their motivations, objectives, and operating procedures; and
- (c) protection of the independence and unique characteristics of voluntary agencies working in partnership with the U.S. Government.

3. The partnership of voluntary agencies with government should be encouraged to broaden their role in the following ways:

- (a) A Program Initiation Fund should be established to facilitate innovative pre-project field research, including project design and demonstration, by voluntary agencies in broad program categories for development purposes. Such a fund should be

considered as an additional subvention available to registered agencies and other private organizations which meet specially established standards of eligibility.

(b) In selected countries where the A.I.D. program is being reduced, responsibility for appropriate segments of development assistance activities should be assumed by voluntary agencies or consortia thereof, provided the necessary financial support is made available to them.

(c) A.I.D. and voluntary agencies should jointly explore ways in which the latter can be assisted in providing development assistance to less advantaged sectors in developing countries which presently do not have A.I.D. missions to demonstrate more fully America's commitment to the peoples of developing countries.

(d) Voluntary agencies should be involved more closely in decisions related to A.I.D.-sponsored research, including the establishment of research priorities, the conduct of such research, and the distribution of its results.

4. Voluntary agencies and government should recognize as a matter of policy that the strengthening and encouragement of indigenous voluntary organizations and associations can be an act of development in itself to which U.S. voluntary agencies are in a position to make a substantial contribution.

5. Closer collaboration and joint action between United Nations bodies and U.S. voluntary agencies should contribute to the process of coordinated United Nations Development Program (UNDP) country programming as well as in providing disaster relief. For this purpose, a conference should be called to bring together representatives of the UNDP and U.S. voluntary agencies.

6. In order to respond to critical world-wide food shortages, new Congressional legislation is needed to assure the availability of U.S. food for overseas emergency needs and development assistance programs in the developing countries. To this end:

(a) Explicit statutory recognition should be given by the Congress to the priority of meeting America's humanitarian obligations and moral commitment to alleviate basic food needs among the poor in developing countries. Such obligations should not be dependent, in theory or in fact, upon the existence or absence of food "surpluses" in the United States. (b) Special emphasis should be accorded by statute to assistance programs using food aid which contribute to the development of indigenous sources of food and which cope with long-term developmental problems in developing countries.

7. Voluntary agencies and the U.S. Government should jointly give attention to revising the regulatory and administrative processes governing food distribution programs. In so doing:

(a) Voluntary agencies should be involved in an advisory capacity in deliberations concerning the budgeting and allocation process governing the availability of U.S. food supplies for overseas distribution.

(b) A serious effort should be made to stabilize the allocation of food available for overseas distribution programs in order to reduce year-to-year fluctuations and allow sponsoring agencies to plan on a multi-year basis.

(c) A conference should be convened for principal Government officials and representatives of sponsoring agencies to review guidelines governing the regulatory system with a view to their simplification, and to develop a method for voluntary agencies to participate in the drafting of new regulations.

8. A Task Force on Refugee and Disaster Services should be established under the auspices of the Advisory Committee to bring together representatives of relevant offices in the Department of State and A.I.D., unilateral agencies, U.S. voluntary agencies, and appropriate committees of the American Council of Voluntary Agencies for Foreign Service. The Task Force would consider:

(a) developing organizational options and possible administrative changes within government and the voluntary agency community required to respond to refugee and disaster situations most expeditiously and efficiently;

(b) establishing systematic methods for ascertaining government policy determinations respecting refugee matters promptly;

(c) improving the mechanisms for the coordination of refugee services and disaster relief efforts; and

(d) developing informational networks which will involve all parties engaged in providing disaster relief and refugee services.

9. Coordination of services in foreign disasters as provided by voluntary agencies, the U.S. Government, and appropriate agencies of the United Nations should be strengthened to improve U.S. response capabilities under the umbrella responsibility of the United Nations. To serve this purpose:

(a) The interagency conferences on disaster service initiated by A.I.D.'s Office of Foreign Disaster Relief Coordination should be continued on a regular basis, and these meetings should include representatives of relevant United Nations agencies.

(b) Funds and facilities for specialized training in rapid disaster response and management should be made available to qualified voluntary agency and host-government personnel in disaster-prone countries.

(c) A policy for interagency coordination and sharing of material and other resources, when rapid response to a foreign disaster is called for, should be developed in a spirit of mutual concern.

10. In the light of Title IX and other emphases contained in the Foreign Assistance Act, voluntary agencies should increasingly emphasize long-term development in the design and implementation of their overseas activities, and funds should be made available to them by A.I.D. to serve such purposes.

(a) Greater priority should be given to the allocating of resources and taking advantage of government funds for the evaluation of their capabilities in development work.

(b) A.I.D.'s procedures should be so revised that contracts and grants can become more readily available to U.S. voluntary agencies.

(c) The possibilities of loan funds becoming available for the direct or indirect use of voluntary agencies deserve serious study by the U.S. Government in cooperation with those agencies best able to utilize loan funds.

11. Voluntary agencies should seriously consider engaging in collaborative efforts which seek to broaden the base of public support for the principle of voluntarism and for the relief and development activities overseas which voluntary public support makes possible. Information given the public should specifically include:

(a) rigorously honest depiction of the role of voluntary agencies in the aims and processes of international development;

(b) methods by which the public can most effectively respond to foreign disasters and other crises;

(c) the rationale for the support of corporate and other large-scale donors; and

(d) threats to revise any phase of the tax status of voluntary contributions to foreign assistance.

12. The subject of registration of voluntary agencies with the U.S. Government through the Advisory Committee should be kept under continuous review in the light of the evolving needs, roles, and opportunities of voluntary agencies in foreign assistance. Such a review must take into account:

(a) different categories of registration and criteria suitable to the different types of service provided by registered agencies;

(b) options regarding the use of specialized panels to make the necessary judgments as to the basic

qualifications for registration of voluntary agencies;

(c) means to assure each agency's continued adherence to the specified conditions for registration;

(d) the necessity of sufficient staff support to enable the Advisory Committee to provide continuing monitoring of the performance of registered agencies; and

(e) necessary changes in the organization of files and data storage and retrieval systems necessitated by any proposed expansion of the Advisory Committee's registration functions.

I**TOWARDS A NEW EQUATION BETWEEN
GOVERNMENT AND THE PRIVATE SECTOR****The Voluntary Agency**

The United States takes justifiable pride in its unique pluralistic character and in providing a model for improving the quality of life through the voluntary association of its people.

This tradition has provided needed impetus to the extension of U.S. assistance overseas. More than serving as just an expression of the life style and traditions of this nation, voluntary agencies operating overseas have demonstrated over many years the deep humanitarian impulse of the people of this country.

It is difficult to generalize about the host of voluntary agencies which have been formed to express the humanitarian concerns of the American people, and which direct this impulse toward service to peoples overseas. For there is a remarkable variety to be found in their origins, motivations, constituencies, and objectives. In America, humanitarianism is primarily a voluntary matter. It engages people as individuals working through organizations of their own creation, not as citizens operating only through government channels. The organizational diversity which this makes possible is, therefore, almost as great as that of the people who make up this society and who individually support the work of these agencies. And its continued strength and importance lies in that diversity—providing reservoirs of resources, out of reach of governments and routine concerns, which can be made available to help others for motives largely untainted by selfish, parochial, or nationalistic interests.

Only a relatively small proportion of U.S. non-profit agencies is engaged in overseas service. Of approximately 100,000 U.S. organizations to which tax deductible contributions can be made, only 418 are listed in the 1971 directory, *U.S. Nonprofit Organizations in Development Assistance Abroad*, produced by the Technical Assistance Information Clear-

inghouse (TAICH) of the American Council of Voluntary Agencies for Foreign Service. Of these, 130 are classified as "voluntary agencies," 215 are religious organizations, eight are foundations, and the remaining 65 are other nonprofit organizations—professional associations, membership organizations, affiliates and branches of business, labor and cooperative groups, and other institutions supported by endowments.

Although the whole spectrum of organizations included in the aforementioned directory perform important services abroad, it is the "voluntary agency" which is actively engaged in overseas assistance and development that is of special interest here. These may be defined as nonprofit organizations established and governed by groups of private citizens in order to provide services (in this case, overseas) for human beings in need, and to improve the quality of their lives through material relief, rehabilitation, and social and economic development.

While they may act in cooperation with government and receive therefrom supplemental assistance in the form of cash, supplies, or facilities, thus accepting careful accountability therefor, they always retain their integrity and independence to determine their own programming criteria and whether and in what context they will enter into joint activities with government or with the private business sector. The extent to which the individual agency is able to give service is dependent primarily upon voluntary contributions and support from its constituencies or from the general public. The basic concept of the voluntary agency is founded on a conviction that those human beings who have the capability to do so have a responsibility for being directly useful to that large portion of the family of man which is in need, regardless of nationality, political alignment, creed, or color.

This definition, therefore, excludes many non-governmental organizations, including foundations and educational institutions, which may also sponsor development activities or be involved in providing assistance to developing countries.

Instruments of Coordination

The diversity of voluntary agencies engaged in foreign assistance tends to obscure the fact that there exists a genuine feeling of commonality among many of them. Such diversity, however, is an asset rather than a liability. Moreover, it is consistent with, and supportive of, the pluralistic character of American society. Diversity, however, is not without its problems. The wide proliferation of voluntary agencies operating overseas since the end of World War II has not been without duplication of effort and unnecessary competition for funds and programming opportunities. That is the price of pluralism.

Yet it is imperative that the unique identity of each agency be preserved if it has a unique function to perform. This can ensure an agency's survival in periods of variation in the degree of public support for America's involvement in international affairs by virtue of the enduring commitment of the agency's regular contributors. Changing times and conditions, nevertheless, do occasionally alter levels of uniqueness of function and its special validity.

Among voluntary agencies engaged in foreign assistance, interagency cooperation and collaboration is not always easy, and there are understandable reasons why this can be a sensitive issue. From time to time various instruments—interagency conferences, permanent councils, consortia for specific program or project implementation, informal interagency working relationships, the Advisory Committee, and others—have been devised to take advantage of the cooperative spirit among voluntary agencies. In the light of fast-changing conditions, demands, and public support it seems inevitable that interagency collaboration and exchange, even to the point of joint project design and implementation, will be increasingly necessary. It is important that the advantage of such collaboration, where feasible, be adequately interpreted to host country ministerial personnel.

The Advisory Committee believes that the informal interagency relationships which are occurring in the

field can be supported by more formal and permanent arrangements both in the field and at home without diminishing individual agency identity. To that end, the Advisory Committee hopes that appropriate action will be taken at U.S., regional, and host country levels, wherever feasible, to support and encourage interagency cooperation in programming and joint projects.

The American Council of Voluntary Agencies for Foreign Service

Of the various instruments which encourage interagency sharing of information and advice, one of the most important is the American Council of Voluntary Agencies for Foreign Service. This was incorporated in 1944 to provide consultation and planning among its member agencies, now numbering 43. Its policies and functions are determined by a board composed of official representatives of member agencies. Its services, however, are available to other voluntary agencies which for various reasons, often financial, are not members of the Council.

The basic budgetary support for Council activities is provided by annual membership fees which vary in accordance with each member agency's budget. For several special projects, it has received grants or other financial assistance from foundations and the U.S. Government. For instance, the American Council's Technical Assistance Information Clearing House has operated under contract with the Agency for International Development since 1955. TAICH serves as a center of information concerning the overseas programs of U.S. nonprofit organizations, including voluntary agencies, church missions, and foundations.

Over the years, the Council's member agencies have sought to strengthen coordination among agencies overseas by establishing national councils in host countries abroad. These work with the American Council in New York, but are otherwise autonomous. At present more than 20 overseas cooperating councils exist, and a number of them regularly communicate with the American Council in New York.

In addition to the responsibilities vested in the Board of Directors and its Executive Committee, the work of the Council is carried out through its several committees. Three standing committees deal with substantive areas of concern to Council members: Development Assistance, Material Resources, and Migration and Refugee Affairs. *Ad hoc* committees on geographical or program areas are established as needed at the request of member agencies.

The Advisory Committee on Voluntary Foreign Aid

Acting as a means of liaison between the U.S. Government and the whole panoply of U.S. voluntary agencies engaged in foreign assistance activities (some of which are members of the American Council) is the Advisory Committee.

The origins of the Advisory Committee predate U.S. entry into World War II, when it was thought appropriate, in order to preserve America's neutral status, that all private voluntary agencies soliciting contributions from the American public for relief activities in warring countries make themselves known to the Department of State. In March, 1941, a Presidential committee was appointed to look into the problems of American war relief activities. As a result of this study, the President's War Relief Control Board was established by Executive Order on July 25, 1942, to guide relief agencies and to license approved programs. In May 1946, by Presidential directive, the Advisory Committee succeeded the Board. The Advisory Committee established registration procedures, later buttressed by legislative enactments, and became the channel through which government support and subventions became available to registered voluntary agencies.

For about three years following its creation, the Advisory Committee and its staff were not organizationally attached to any agency of the executive branch, although the Department of State provided administrative backstopping and financed operating costs. In 1949 its activities became formally attached

to the Department of State, with its staff a part of the Office of Economic Affairs and the Committee reporting to the Secretary of State through the Assistant Secretary for Economic Affairs. This arrangement was changed through departmental reorganization in July, 1953, when all "operating functions" in foreign aid were transferred to a foreign assistance agency, subsequently and successively known as the Mutual Security Agency, the Foreign Operations Administration and, after November 1961, the Agency for International Development. Prior to this transfer in 1953, members of the Advisory Committee served at the invitation of the Secretary of State, and, after the transfer, by invitation of the Administrator of the U.S. foreign assistance agency.

The present charter of the Advisory Committee indicates that its objective is: "To serve as a focal point for relations between the U.S. Government and U.S. private and voluntary organizations active in the fields of relief, rehabilitation, and development overseas." Its duties, as outlined in the charter, may be condensed as follows:

1. "To register qualified U.S. private, nonprofit organizations voluntarily seeking and accepting registration . . . to assure their bona fides to the public and to maintain and publish a register of such organizations. The register constitutes the authoritative listing of those organizations which may apply to the United States Government for (a) reimbursement for transportation charges of donated supplies and receipt of Government-owned excess property under sections 216 and 607 . . . of the Foreign Assistance Act of 1961, as amended, and (b) receipt of agricultural commodities under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended . . ."
2. To provide information and advice to A.I.D. (and other U.S. Government agencies) relating to foreign assistance "in which U.S. Government and the private voluntary organizations interact."

3. To provide assistance to the community of private and voluntary organizations working abroad relative to problems and issues in their relations with A.I.D. and other Federal agencies.
4. To foster public interest in voluntary foreign aid.

The charter specifies that the Advisory Committee will report to the Administrator of A.I.D., and that the Assistant Administrator, Bureau for Population and Humanitarian Assistance, is "responsible for providing the necessary support for the Committee and its Subcommittees." By the provisions of its charter, the Advisory Committee is limited to 11 voting members.

Voluntary Agencies at the Crossroads

The liaison function of the Advisory Committee has assumed increasing importance in recent years as voluntary agency activities overseas have increased in scope and as the U.S. Government has come to rely on them more extensively.

Even during the great flowering of American voluntary effort overseas in the 1950s and early 1960s, the meshing of public and private resources and capabilities was more a matter of accommodation than mutual understanding. In many respects, it still is. Too often government tends to view voluntary organizations in terms of their availability and capability for performing certain specific functions consonant with government policy and objectives, rather than as independent entities with their own purposes, constituencies, and objectives, which are themselves deserving of support.

Yet voluntary agencies have become an increasingly important resource in international development and more and more public funds have been channelled through them. The basic reasons for this are well known. Dr. Alan Pifer, President of the Carnegie Corporation, writing in 1966 of the whole range of nonprofit agencies in their relationship with the Fed-

eral Government, succinctly delineated these unparalleled assets of the voluntary agency:

They include the capacity to move swiftly, flexibly, and imaginatively into a new area of critical need; the power to arrive at a disinterested, objective appraisal of a situation free of political influence; the freedom to engage in controversial activities; the ability to experiment in an unfettered manner . . . and finally the capacity for sympathetic personal attention to the variety of human problems that beset our increasingly dehumanized world.

In so sensitive and complex a matter as international development, these are by no means inconsiderable assets.

Many of the voluntary agencies engaged in foreign assistance are acutely aware of the changes which are bound to influence their future role. They see massive cutbacks in government investment in international development and at the same time the intensification of difficulties in raising funds from private sources. They are conscious of the turning inward of the American public and feel confused by the complex network of governmental instruments involved in foreign assistance activities to which they might otherwise turn for help.

Amidst these uncertainties in their relationship with U.S. Government agencies and with their traditional constituencies, many agencies are nevertheless eager to work in concert with the U.S. Government, so long as it will not destroy their much-prized assets.

Relationships with the U.S. Government

The Advisory Committee is no less conscious of the broad common ground of interests, objectives, and perspectives shared by voluntary agencies and the U.S. Government. Despite these shared concerns, however, there is a growing conviction in both sectors that the time has come to review the relationships which have developed between them. Time-tested formulae may no longer suffice if the present inter-

action between the two sectors is to respond adequately to changing needs and conditions.

Although the Agency for International Development is the principal agency of the U.S. Government involved in international assistance, there are other agencies and departments of the U.S. Government to which voluntary agencies relate in performing their overseas activities. Among these are the Peace Corps and the Departments of State, Agriculture, and Commerce. They, no less than A.I.D., are affected by the "new equation" evolving between the two sectors.

Through the years the working relationship between A.I.D. and the voluntary sector has produced many praiseworthy accomplishments. In suggesting that their "partnership" can be even more fruitful in no way denigrates the achievements of the past.

Some Differences of Approach

Many persistent problems in the interaction between the U.S. Government and the voluntary agencies engaged in foreign assistance are traceable to their essentially different points of departure. The line of difference between government and voluntary agency targets for assistance is no longer as distinct as it used to be.

The essential targets nonetheless remain different in both magnitude and intent. On the one hand, government-to-government assistance has usually been predicated on the assumption that the welfare of the host country's people depends first and foremost on the strength and administrative competence of its central government and its national economic institutions. Assistance activities have focussed, therefore, necessarily on programs most desired by central government ministries in host countries. The result was that emphasis was given for several years to large infrastructural projects and capital resource transfers in the hope that the benefits of this aid, measured in macroeconomic terms, would gradually reach impoverished people in these countries.

This so-called "macro" approach to the assistance of the developing countries has been increasingly challenged over the past few years, as the benefits have been seen not to "trickle down" fast or far enough. The gap between rich and poor has oftentimes grown worse, not better, and the absolute numbers of hungry, illiterate, and diseased have only increased as population growth outstrips food supplies and the ruling classes are observed to siphon off the fruits of American generosity meant to reach those most in need.

On the other hand, voluntary agency assistance has tended to be more "people-oriented." With fewer funds at their disposal, greater flexibility in their organizational structure, constituencies anxious to see their dollars expended on direct assistance to the needy and dispossessed, and a less complicated, basically humanitarian motivational ethic, voluntary agencies have focussed their activities at the local level of these societies. Results were measured in human terms—lives saved, homeless sheltered, children fed—as well as in less quantifiable ones like communities organized, skills taught, hope instilled.

This oft-cited dichotomy between the "micro" approach, seen to epitomize the work of voluntary agencies, and the "macro" approach, attributable to government aid programs, can be overdrawn. The "little man" and the development of local institutions have not been wholly neglected by A.I.D. or its predecessor foreign aid agencies, nor have voluntary agencies failed to acknowledge the necessity of building stable governmental institutions and of increasing the gross national product.

But while those primarily practicing one approach have appreciated the value of the other approach, both groups have too often and for too long gone their separate ways and thus failed to learn from each other by a lack of full and open communication between them.

There are many reasons for this.

The "micro" approach obviously poses problems for government. It lacks magnitude or appears inci-

dental to major indices of national growth. It is difficult to overcome constraints imposed by host governments which are justifiably suspicious of foreign government officials working at the local level in their country. Demands for visible results for each foreign aid dollar spent can impede certain forms of human resource development in favor of the construction of buildings, dams, and roads.

So, too, have voluntary agencies found it difficult to undertake "macro" level projects or to give needed analytical attention to the complexities and long-run implications of building a modern nation-state, if only because they generally have had neither the resources nor the encouragement to do so.

Differences in the scale of overseas operations have much to do with basic differences in operating methodology, a factor which is sometimes not adequately appreciated by government. So, too, voluntary agencies are sometimes unaware of the "micro" level projects supported by A.I.D. because it is usually only A.I.D.'s larger operations which get the publicity.

A major problem for voluntary agencies wishing to become involved in larger, more complicated projects is that their constituencies are usually led to expect that their contributions are directly applied to the needs of less advantaged people and that only a modest proportion of each contribution supports an agency's overhead expenses. Agency fund-raising is indeed based on this principle, and intensive efforts are often made to establish direct lines of communication between the contributor and the ultimate recipient. Agency overhead, therefore, must be maintained at minimal levels, and projects focussed on individual children, say, or small communities.

This has a significant effect on the scale and type of overseas programs of voluntary agencies. It limits the number, training, and salary range of the supportive personnel, both at headquarters and in the field. Program exploration, planning, field analysis, accounting, and other administrative costs are limited to essentials, and supportive "research and de-

velopment" and post-project evaluation studies, so large a part of government-to-government development programs, are seldom funded.

Such conditions pose problems for government officials who wish to fund voluntary agency projects. Government has its own, often elaborate, requirements and procedures for program planning, analysis, accounting, personnel support, backstop research, and evaluation. These were developed in consonance with the scale of government-to-government programs, and are more complex and costly than the voluntary sector thinks it can afford. Yet government offices feel compelled to apply the same standards to voluntary agencies as they do to themselves or other large government contractors, and this can leave many projects conceived by voluntary agency personnel unfunded.

These differences in approach and methods are clearly now undergoing change, and mutual understanding and appreciation of the problems of each sector will undoubtedly lead to more extensive opportunities for cooperation. Indeed, new A.I.D. legislation and the "new approach" toward foreign aid called for by the House Foreign Affairs Committee, together with the greater interest and demonstrable competence of voluntary agencies in developmental activities, may be seen to lay a firm foundation upon which such cooperation can take place increasingly in future years.

Some Applicable History

Support for the voluntary sector in foreign assistance has been consistently encouraged by the Congress and this has led to a long association of many voluntary agencies with government foreign assistance undertakings.

With the Interim Aid Act of 1947, the Congress first provided specific benefits to registered U.S. voluntary agencies in furtherance of their overseas activities. Since then, enactments by the Congress have been expanded to include ocean freight reimburse-

ment for voluntary agency supplies sent overseas, substantial donations of Government-owned food commodities (supplemented later by local currency grants for related projects), access to Government excess property resources, and grants for refugee and migration programs. The "General Authorities" section of the Foreign Assistance Act of 1961, as amended, contains the following declaration:

It is the sense of Congress that the President, in furthering the purposes of this Act, shall use to the maximum extent practicable the services and facilities of voluntary, nonprofit organizations registered with, and approved by, the Advisory Committee on Voluntary Foreign Aid.

Over the intervening years, serious questions have been raised concerning the degree to which A.I.D. and its predecessor agencies have carried out to the "maximum extent practicable" this Congressional mandate. This is not to suggest that there was ever any deliberate under-utilization of the voluntary sector; instead, the overlay of internal regulations, paperwork, procedures, and red-tape militate against an ease of cooperation of the two sectors.

Yet a new common ground for Government-voluntary agency cooperation may be in the offing.

High-level recommendations of recent Administrations tend to reinforce the important position of the voluntary sector in international assistance. This was apparent in the report of the Task Force on International Development (the so-called Peterson Commission), in the President's recent foreign aid messages, and in the Administrator's memorandum of early 1972 reorganizing A.I.D. Indeed, the tradition and unique role of U.S. voluntary agencies in foreign aid has been consistently supported and encouraged at top administrative levels since early Point IV days, and the recent creation of A.I.D.'s Bureau for Population and Humanitarian Assistance and its Office of Private and Voluntary Cooperation is an important case in point.

Overcoming the Obstacles

How the principle of mutuality is regarded by U.S. Government administrators on the one hand, and by voluntary agencies on the other, is the key to developing a more effective collaborative style. The previously cited declaration of the Foreign Assistance Act, calling for the Government to "use" the voluntary, non-profit sector to the maximum extent feasible, tends to imply that voluntary agencies are to be used solely in the context of Government-initiated programs and projects rather than serving alongside, or in tandem with, the Government in accordance with the individual voluntary agency's unique character and sense of mission; in other words, to work as a partner, rather than to serve as a tool, of government. To do otherwise is contrary to the meaning of voluntarism.

Yet determining the point at which government and voluntary agencies can most appropriately and effectively "engage" in the planning of collaborative undertakings requires considerable study and perhaps a greater degree of mutual understanding and respect than presently exists.

As a first step in providing an appropriate atmosphere within which such study and mutual understanding can be encouraged, the Advisory Committee recognizes that the new foreign assistance legislation reflects this principle of mutuality which would exist between voluntary agencies engaged in foreign service and the U.S. Government.

Nevertheless, the Advisory Committee recommends that the General Authorities section of the Foreign Assistance Act should be amended, and it suggests the following language:

It is the sense of the Congress that the President, through the foreign assistance instruments of the United States, directly encourage and support, to the maximum extent practicable, the international assistance efforts, aims, and activities of U.S. voluntary organizations qualified for such service. Voluntary agencies registered with and approved

by the Advisory Committee on Voluntary Foreign AID shall, whenever they may wish, apply for use of U.S. Government resources or facilities to assist their programs overseas.

Whether legislated or not, the Committee believes that the principle of mutuality is central to the future evolution of a more meaningful and productive relationship between government and the voluntary sector in international service. Clearly, this relationship should eschew any implication that voluntary agency activities are worthy of government support only to the extent that they reinforce or complement pre-determined government policies and priorities.

This can hardly be accomplished, however, without the cooperation of all bureaus and offices of the U.S. Government's foreign affairs establishment, both in Washington and the Embassies and A.I.D. Missions abroad. Although the new Office of Private and Voluntary Cooperation has established interbureau mechanisms for a broadening span of A.I.D.-voluntary agency relationships in specific program terms, the importance of mutuality as agency-wide policy requires the support of top policy levels and the regular attention of the A.I.D. Administrator's Council. Even more important, it will require the active cooperation and initiative of the regional bureaus in A.I.D.

All efforts of the Assistant Administrator for Population and Humanitarian Assistance and his staff to help implement an enlarged and truly meaningful policy of mutuality and interaction with the voluntary sector and to assist in interpreting it to government offices will be welcomed by most voluntary agencies and should be attempted with dedication and perseverance. U.S. Government-voluntary agency cooperation can never be effected unless voluntary agencies are advised whom they should see in government offices about programs they wish to undertake and when they should see them. It is hoped that A.I.D.'s new Bureau will give voluntary agencies concrete advice in this matter at an early date.

To justify a major policy-level effort to implement the evolving new equation between government and the voluntary sector requires the latter also to rise to the occasion with renewed spirit, innovation, and understanding. Voluntary agencies must realize the political and diplomatic constraints under which A.I.D. operates, and be tolerant of the procedural red-tape which exists only to prevent abuses in the expenditure of public monies. They must also recognize the limitations of government in a free society and not depend too heavily upon it for support in lieu of the voluntary contributions and encouragement of their constituencies among the American public.

A 1972 conference sponsored by A.I.D.'s Africa Bureau on the role of voluntary agencies in African development described the central problem of Government-voluntary agency cooperation as follows:

Voluntary agencies are increasingly asking whether partnership with the U.S. Government in development assistance programs relegates them to the level of being mere implementers of development programs, while denying them a role in defining what constitutes development, in deciding what structural problems should be given priority treatment, and in determining how those programs can best be addressed and resources allocated.

There can be no true partnership relation between A.I.D. and the voluntary agencies while A.I.D. has the predominant role in allocating resources, setting the scope and pace of the work, and defining what activities constitute legitimate development efforts.

A significant change in the U.S. Government-voluntary agency operating equation cannot, of course, be implemented overnight, particularly in a period when the role and the resources of A.I.D. are being reduced and when the roles and operational objectives of voluntary agencies are undergoing significant changes.

Yet it is vitally important that during this period of transition every effort is made to keep the chan-

nels of communication open between the Government and that portion of the voluntary agency community which is involved in overseas development.

Voluntary agencies should be viewed by the Government as a unique resource with a valuable and different perspective to share in assisting in the solution of the problems of development. It would behoove A.I.D., especially as it seeks to implement the new foreign aid legislation, to draw upon this resource in more constructive and regularized ways than it has been able and willing to do in the past.

The Advisory Committee is fully conscious of the role it is called upon to play in maintaining these channels of communication between government and voluntary agencies. It hopes to respond fully to the apparent interest on the part of voluntary agencies for the Advisory Committee to perform a more active role in this process. It further hopes that sufficient resources will be made available to the Advisory Committee to perform this expanded role, and that agencies of the U.S. Government will cooperate with it as it seeks to perform its liaison and informational exchange responsibilities.

The Committee believes that appropriate executive action should be taken to reconfirm and support the Advisory Committee's statutory position as the official channel of communication between the U.S. Government and voluntary agencies involved in overseas service whenever policies affecting them are being formulated. Such reinforcement of the new equation between government and voluntary agencies should enable voluntary agencies to be kept better apprised of governmental activities and policies affecting them as well as giving them a more effective advisory voice in policy formulation.

Implementing the New Equation

Establishing a new operational equation between A.I.D. and voluntary agencies requires both policy and procedural changes as well as more regularized and open communication between them.

Most importantly, the burden for program design and initiation should fall squarely on the shoulders of the voluntary agency rather than the A.I.D. missions overseas. Indeed, voluntary agencies are and always have been assuming program initiation responsibilities, although not in the more sophisticated and complex fields of development. The Advisory Committee recommends that voluntary agency program initiation should be further encouraged through support of project research and design, so as to provide a broader role for voluntary agencies in program implementation.

Program design and initiation, however, entails administrative and overhead costs which some voluntary agencies cannot afford. The Advisory Committee, therefore, recommends that, as an additional subvention available to registered agencies, A.I.D. establish a Program Initiation Fund to support voluntary agency proposals for pre-project field research, including project design and demonstration, in various program categories.

In a few cases, this is essentially now being done. We suggest, however, that access to such a fund be provided as a matter of principle to the whole voluntary sector and backed by special funding capability. Special standards of eligibility for access to this fund must be established in accordance with strict standards of professional competence and accountability and special criteria regarding the legitimacy and value of the endeavor.

As program proposals in broad fields of concern calling for government support are developed through use of this Program Initiation Fund, the decision for funding the implementation phase of the specific projects within the proposed program (whether on a matching basis or otherwise) would hopefully be expedited by central decision in A.I.D. through the Bureau for Population and Humanitarian Assistance and its liaison with A.I.D.'s regional bureaus. It is recognized that unless the regional bureaus of A.I.D. are enjoined to give some special consideration to programs so initiated and designed,

little of moment can hope to result. On the other hand, with their active support of this program, a remarkable new chapter in the collaboration of government and private agencies may well be written.

The Advisory Committee also recommends that, in selected countries where the A.I.D. program is being reduced, responsibility for appropriate segments of the A.I.D. program should be assumed by voluntary agencies or consortia thereof, provided the necessary financial support to carry out these programs is made available to them.

In the light of the new foreign aid legislation which focuses A.I.D.'s attention and resources on "the most urgent problems of the poorest majority in the developing countries," new criteria will undoubtedly need to be established for determining where, when, and for how long A.I.D.'s presence in a particular country is justified. This, in turn, may have a significant effect upon A.I.D.-voluntary agency cooperation.

Where voluntary agencies have the necessary experience and knowledge, and an A.I.D. mission is no longer appropriate, A.I.D. should then seriously consider turning over programs of direct benefit to the poor in principal problem areas (food, nutrition, family planning, maternal and child health care, etc.) to U.S. voluntary agencies working in partnership with indigenous groups and organizations.

This does not mean that whenever a phase-out situation exists A.I.D. should seek out voluntary agencies to carry on some programs in that country in order to maintain a U.S. presence. It only means that A.I.D. should, in developing new phase-out criteria, consider the fact that voluntary agency resources are available to carry on certain needed programs when an official presence is no longer justified or when a gap in needed assistance might result from a rapid but necessary termination of an A.I.D. mission overseas.

American voluntary agencies have a long history of service in countries where A.I.D. no longer has missions. While there were 56 missions in 1973 functioning in 61 countries, the 82 voluntary agencies then registered with the Advisory Committee were carry-

ing out projects in 133 countries and areas. Although many non-A.I.D. countries have been adjudged to have resources which no longer justify an A.I.D. mission or program, sectors within them are often significantly disadvantaged, and it is in that context that voluntary agencies continue their work.

A.I.D. is conscious of the continuing importance of these countries and sectors, and current attention to them is the assignment of the Office of Special Technical Services in the Bureau for Technical Assistance working mainly through the private and voluntary sector. Much of this work is currently channelled through the International Executive Service Corps (IESC), but much wider participation by the U.S. voluntary community is justified and should be encouraged. By this means, voluntary agencies can give greater spread to American concern for the peoples of developing countries than any single Government agency could hope to do alone.

II

INTERNATIONALIZING THE NEW EQUATION

Trends in Internationalization

The very character of the voluntary sector tends to emphasize the importance of cross-national relationships. Although many agencies have solely national constituencies, their activities in other countries rely on the assistance or collaboration of host country voluntary institutions and governmental bodies and on a variety of international networks among voluntary agencies and multilateral organizations. The character of their work also depends heavily on the free and voluntary association of host country peoples, acting not just in the role of recipients of their aid but as collaborators and participants in the development process.

The more recent history of development policy indicates an increasing interest in multilateral responses to developmental needs in the developing countries in consequence of the ever-increasing constraints implicit in bilateral approaches. Support for this trend is apparent in the deliberations of the U.S. Congress, in recent statements of the President, and in the reorganization of A.I.D. This new thrust in development assistance focuses on intergovernmental cooperation (e.g., through the United Nations and the World Bank).

The movement toward internationalization is also evident within many voluntary agencies. This involves working closely with indigenous voluntary agencies and with other external donors on particular projects, and even establishing counterpart agencies in host countries and sometimes assisting in their funding. It can mean working through or in cooperation with truly international private voluntary organizations, both secular and church-related, which receive their funding from private sources in several countries. In such cases, personnel are often drawn from countries throughout the world, and policies are arrived at in a manner not unlike that of the United

Nations. Such arrangements provide U.S. voluntary agencies with an increasingly important international base to offset the constraints imposed by some host governments upon any organization having exclusively U.S. ties, while not endangering the integrity of the several national units which may be involved in such arrangements. In still others, it involves a very conscious effort to internationalize their field personnel, not only by hiring host country nationals, but those from so-called third countries as well.

Patterns in Other Developed Countries

Voluntary agencies engaged in foreign service are found throughout the westernized and developed parts of the world. Many U.S. voluntary agencies have some kindred or working relationship with agencies in other countries; this is particularly true among those having similar religious affiliations. However, joint programming among kindred voluntary agencies organized in different developed countries has been slower to develop except in times of disaster. Different constituencies, different sources of funding, differing developmental interests, and different accounting mechanisms are among the factors which tend to inhibit such close working relationships and the cross fertilization which can result therefrom.

Some of the major U.S. agencies are nevertheless actively pursuing new ways in which more productive interaction and mutual support can take place with their counterparts in other donor nations. The establishment of national affiliates of one supra-national organization is another form of relationship that is being pursued. Arrangements between a prime donor in one country and self-supporting affiliates in developing countries have many possibilities. Another form of international linkage is affiliations between various voluntary agencies for the principal purpose of raising funds to support mutually agreed-upon programs.

The U.S. voluntary sector has become increasingly aware of the assistance and development efforts of

voluntary organizations in other donor countries, particularly in Western Europe, where the spirit of voluntary effort on behalf of disadvantaged peoples in the underdeveloped world is strong. To learn more about this dimension, the American Council's Technical Assistance Information Clearing House has been reviewing the activities of voluntary agencies in other donor countries and their relationships with their own national governments. A report covering seven countries was issued in December, 1972.

This report suggests a wide variety of ways in which the government-voluntary agency equation has been developed in other countries. For instance, the Governments of Canada, Western Germany, the Netherlands, the United Kingdom, Sweden, and Norway have recognized the value of working closely with and through their country's voluntary organizations in the provision of foreign assistance, and are using budget funds on a grant basis to support the overseas activities of organizations. Despite differences in the particulars of these supportive arrangements, the grants are usually made on a matching basis, thereby generating a multiplier effect by adding voluntary contributions to appropriated funds.

Voluntary Organizations in Developing Countries

A remarkable variety of voluntary organizations and associations exist in developing countries. They range from local kin groups to sophisticated national organizations, although few have yet attained the magnitude, impact, and significance of those existing in the western world.

A large part of the international development and assistance activity of the voluntary sector is directed through indigenous local institutions and associations of a basically voluntary character, though some are extensions of the host government establishment or of the local *patron* system.

The support and encouragement of many of these various "self-help" entities is increasingly considered of high priority in developing local participation and involvement in developmental undertakings. Often the only available alternative is to rely upon central

administrative machinery and sometimes authoritarian governments which operate in characteristically paternal or bureaucratic ways.

For local development purposes and to encourage popular participation in the development process, a voluntary association is usually most viable and enduring if it emerges out of the fabric and character of local life; if any role is assumed by a foreign assistance instrumentality in its development, it must, therefore, be exclusively supportive and nurturing and avoid any show of paternalism.

One problem in assisting the development of private voluntary associations in the developing countries is their tendency to be too localized and too unfocussed, and their contribution to the development process and to the improvement of the quality of local life is consequently limited. Moreover, depending upon the social and political structure of the individual country, indigenous organizations can be considered either counter-revolutionary or revolutionary, and often host country governments are justifiably reluctant to see these countervailing powers to the central government encouraged and strengthened—particularly by outsiders.

Partly because of this, A.I.D.'s concern with "institutional development" has often focussed on strengthening national-level organizations and central government institutions. Yet, this is not the only alternative to helping community-level groups. Even if the most local-level institutions do not yet make external assistance possible, there is often an intermediate area of district and sub-regional confederations of local private organizations or other types of "intermediary institutions" which, heretofore often neglected, can provide an important role in bridging the gap between local interests and national institutions. In cases where such possibilities exist, the experience and competence of U.S. voluntary agency personnel can help to identify those institutions most deserving of support and to determine the appropriate resources and services which would strengthen them. Another valuable service is in seeking to trans-

fer expertise, organizational methods, and operational approaches to appropriate indigenous voluntary groups so that the work supported by U.S. voluntary agencies will be carried on into the future by indigenous institutions.

The development of indigenous voluntary organizations faces another problem in the scarcity of instrumentalities to reinforce their purposes, exchange ideas and information, and coordinate their development activities with those of other donors. Donor country voluntary agencies no less than indigenous agencies can benefit from this form of cross-fertilization and cooperation.

For the present, regional commissions of the United Nations may be in the best position to provide the necessary intercountry reinforcement and informational exchange between indigenous voluntary agencies. A significant step in this direction was recently taken by the Voluntary Agencies Bureau of the United Nations Economic Commission for Africa. In August, 1971, UNECA conducted a symposium in Addis Ababa on "Rural Development in Africa" which brought together 23 representatives of national and international voluntary agencies with representatives of UNECA, and all other UN specialized and operating agencies, together with rural development officials of African governments. The Advisory Committee was also represented at this important conference. Since then four subregional symposia have been scheduled in various locations on the African continent, one of which was held in Addis Ababa in November, 1973.

At the regional conference in Addis Ababa much of the discussion focussed on "the need of voluntary agencies to consolidate among themselves, locally, nationally, and regionally." In furtherance of these ends, UNECA is developing a directory of voluntary organizations engaged in rural development services in Africa, and has established an interdisciplinary task force on rural development management to respond to requests from voluntary agencies and member states.

The Advisory Committee believes this pattern of UN service to the voluntary sector deserves additional exploration and support. To that end the Committee hopes that the American Council, with the cooperation of the Advisory Committee as desired, will explore the possibilities of similar supportive activities with all relevant U.N. bodies.

Use of Foreign National Personnel

U.S. policy toward the employment of host country nationals needs clarification and perhaps reappraisal. Since the increasing employment and participation of indigenous personnel is important to the internationalization of voluntary effort, their participation deserves to be encouraged in all voluntary agency programs receiving U.S. government support.

One present deterrent exists within present A.I.D. regulations. A.I.D.'s Regulation 3 delineates the requirements of registration with the Advisory Committee, and hence the conditions under which various government resources are made available to U.S. voluntary agencies. This states that distribution of U.S. Government supplies (food and excess property) must be made overseas only

under the supervision of U.S. citizens specifically charged with the responsibility for the program or project, or by non-U.S. citizens upon notification to and approval by the Committee of justification of their selection on account of the character and economy of the operation, and the degree of cooperation and acceptance of responsibility of the indigenous agency.

Exceptions to the supervision of U.S. citizens are so difficult and time-consuming, agencies seldom apply for them. The number of U.S. voluntary agencies which would otherwise choose to be direct recipients of U.S. commodities and excess property is, therefore, reduced. An unjustified lack of confidence in foreign nationals is implied and can hinder the development of indigenous capacities to supervise the handling of external resources.

To make matters worse, A.I.D.'s Regulation 11, covering programs under Title II of the Agricultural Trade Development and Assistance Act (PL 480), allows no such exception. The applicable portion of that regulation reads:

Maximum use of volunteer personnel shall be encouraged, but voluntary agencies shall be represented by a U.S. citizen, resident in the country of distribution or other nearby country approved by AID W, who is appointed by and responsible to the voluntary agency for distribution of commodities in accordance with the provisions of this part . . .

At issue is the degree to which A.I.D. is willing to allow each U.S. voluntary agency to assume full responsibility for the adequate administration of programs which use U.S. Government resources, regardless of the nationality of the administrative personnel it employs.

In the early days of PL 480, when overseas patterns of administering food programs were still evolving, this caution may have been justified. But the experience gained by host country nationals in these programs over the years would now warrant greater flexibility in the enforcement of this regulation with due appreciation for the need to maintain standards of accountability for the use of U.S. public monies.

The Advisory Committee understands the preference of A.I.D. Missions to deal with and through a U.S. citizen representative. Yet if food and other resources are recognized as part of an international contribution to relief and rehabilitation operations, and if voluntary agencies are recognized as international in character, then this requirement for U.S. citizen representation now seems unwarranted. Indeed, in the case of U.S. food aid granted through the World Food Program, there is no such requirement.

The Advisory Committee recommends that positive steps be taken to interpret these regulations more flexibly. Indigenous personnel should be encouraged to assume increasingly important roles in the administration of voluntary agency programs conducted in

their countries. Such active involvement at senior managerial levels can be only indicative of the type of development which voluntary agencies, no less than A.I.D., wish to foster. To do so, however, may also suggest increasing the training opportunities available to foreign nationals who wish to be involved in voluntary agency work in their own countries. A.I.D. should, therefore, actively support U.S. voluntary agencies in the development of specific training programs and the establishment of facilities for improving the administrative and programming skills of their foreign national personnel.

The internationalization of voluntary agency participation is also reflected in the use of "third country" personnel—that is, participants from a country other than that of the donor agency or the country in which the program is conducted. Some U.S. voluntary agencies encourage third country participation among its volunteers and staff, just as A.I.D. has sometimes done. Although there is apparently no specific regulation prohibiting use of third country nationals by U.S. Government contractors, the Advisory Committee hopes that this significant trend toward the internationalization of voluntary agency personnel is given every possible encouragement both by A.I.D. in its contractual negotiations with voluntary agencies and by voluntary agencies themselves.

Relations with Host Governments

The U.S. Government has significantly assisted U.S. voluntary agencies working overseas by concluding more than 25 country agreements with host governments for duty-free entry of supplies transmitted through voluntary agencies, by negotiating host country provision of inland transportation for such supplies, as well as providing other facilities and exemptions. Such arrangements are often of critical importance to voluntary agencies.

The character of such negotiations between the A.I.D. Mission and U.S. Embassy, on the one hand, and host government authorities on the other, may

set the tone for more direct relationships between voluntary agencies and host governments. When negotiations are conducted by individual voluntary agencies to obtain duty-free entry of supplies, to set conditions relating to personnel and their accommodation, and to provide for inland transportation of supplies, for office and storage facilities, and for various permits, the true character and objectives of the voluntary agency must be fully and honestly represented.

Such formal agreements, whatever their importance to the mechanics and logistics of voluntary agency operations in the field, constitute but a small portion of the relationships which must be established with host governments. Greater sensitivity to the needs as well as the desires of host governments must be demonstrated today by voluntary and government agencies more than ever before.

As U.S. voluntary agencies know only too well, the days of paternalism are over. Governments of developing countries take justifiable pride in their own national culture, accomplishments, and mores. No longer do they assume (if ever they actually did) that western ways are indubitably better and that the adoption of American technology is necessarily the fastest road to national prosperity. Many of these countries have developed their own more usable technology and methods, generally far more effective and appropriate to their history and traditions, their culture and their climate, than anything that can be offered them from abroad.

It is important to recognize that "underdeveloped" countries are now "developing" countries, with their own manpower base, their own long-range and highly sophisticated development plans, and their own methods for attaining their national objectives. U.S. voluntary agencies are no longer as needed as they once were; neither are they as wanted. This presents U.S. voluntary agencies in the years ahead with perhaps their most rewarding challenge—of working with, not for, the peoples of developing countries, and of establishing sufficiently close and understanding relationships with the host country government and its development plans and stated national objectives.

Relationships with the United Nations

U.S. voluntary agencies are not only faced with the need to establish new relationships with each other, with the U.S. government, and with host country governments and peoples; they are also being afforded new opportunities for collaboration with the United Nations and its specialized agencies. This relationship with the UN has had a diverse and sporadic history. With the exception of arrangements provided under Article 71 of the UN Charter and manifested in either a consultative relationship with the Economic and Social Council (ECOSOC), a registered relationship with the Office of Public Information, or a somewhat tenuous relationship with UN Specialized Agencies, it would appear that in the early days of the UN there was little that either voluntary agencies or the UN could do to establish closer collaboration.

According to voluntary agencies, one nagging problem which has militated against closer relations is that they are often dealt with in the same way and on the same terms as organizations with quite different interests, motivations, and constituencies. The term "non-governmental organization" (NGO), which in UN parlance describes all those entities which are related to the United Nations but are not nation-states, is infrequently used by voluntary agencies to describe themselves. Yet, it is the classification under which they necessarily fall in their dealings with the UN.

Most of the agencies whose overseas programs have been recognized by governments and international bodies, prefer to be known simply as "voluntary agencies" to distinguish themselves from the plethora of other non-governmental organizations, such as foundations, service clubs, educational institutions, or multinational corporations, which are also both "private" and "non-governmental," but which are not operational agencies engaged in foreign assistance activities. This inclusion with incongruous agencies has often militated against an ease of communications between the UN and voluntary agencies, and is

a problem which still needs to be surmounted.

Fortunately, distinctions within the category "non-governmental organization" are becoming more fully appreciated by the United Nations, and the special meaning of "voluntary" is being better recognized. This is seen by many voluntary agencies as a prerequisite for establishing closer linkages with the UN, not only in field operations but in forming more specifically meaningful relationships with the headquarters offices of UN agencies.

Historical Development: UNRRA, IRO, and UNHCR

The relationship of U.S. voluntary agencies to the UN nevertheless has a long history, going back to the very first days of the UN's formation. Even at the time conferees were debating the wording and intent of Article 71 of the United Nations Charter in San Francisco, voluntary agencies were already deeply involved in the work of the United Nations through the UN Relief and Rehabilitation Administration (UNRRA).

Although Article 71 of the UN Charter does not specify the type of "arrangements" which the Economic and Social Council is authorized to make with private national organizations, the common objectives which voluntary agencies share with the UN have often found the UN and U.S. voluntary agencies working together in the same arena.

The evolution of the highly successful UNRRA operation made it possible for the program eventually to be divided between two other UN entities, the International Refugee Organization (IRO) and the Food and Agriculture Organization (FAO). Those voluntary agencies whose inclination was to help the dispossessed and displaced of the world found a ready collaborator in the IRO, which was soon to be succeeded by the office of the UN High Commissioner for Refugees (UNHCR).

The reason for the close relationship between resettlement agencies and the IRO/UNHCR is partially attributable to the professional experience and community-centered constituency of voluntary agen-

cies, which is essential to coping with the complex problems of resettling refugees. The many ways in which voluntary agencies have worked in close association with the IRO/UNHCR is legion. One need only recall the problems of displaced persons in Europe immediately after World War II, the plight of Eastern Europeans in the years that followed, the subsequent developments in the Middle East, or the most recent example of Asian expellees from Uganda, to realize the ways in which voluntary agencies and the United Nations can effectively intermesh their programs.

**Other Relationships: UNICEF, WFP,
Specialized Agencies, UNDP**

A number of voluntary agencies are international entities in their own right, so recognized by the Council Committee on Non-Governmental Organizations of ECOSOC, and provided with Category I, II, or Roster Consultative Status with ECOSOC. In fulfilling their consultative status responsibilities, these agencies attempt to cover various deliberations of the UN family in which they have an established program interest. It is frequently suggested, however, that more explicit involvement by Consultative Status agencies, particularly in regard to the mutual development of program goals and priorities, deserves additional and more regular encouragement.

After the immediate post-World War II needs were fulfilled, the enormous extent and severity of hunger in the world called for dramatic and large-scale action. The concern of voluntary agencies prompted the Committee on Material Resources of the American Council to meet with U.S. Government officials to help develop the Food for Peace Program. The United Nations International Children's Fund (UNICEF) became a recipient of Food for Peace commodities, and, as a result, the UNICEF representative is still invited to all meetings of the Committee on Material Resources of the American Council.

In later years, with the instigation of the World Food Program (WFP), under FAO sponsorship, voluntary agency representatives in the field found themselves cooperating with WFP personnel for the purpose of making the best use of limited food commodities. A number of problems, however, continue to restrict areas of possible coordination and cooperation, especially differing standards of accountability concerning the use of these commodities, and increasing competition for such resources in a time of acute scarcity.

Over the years, voluntary agencies have also worked with individual agencies of the United Nations. Some voluntary agencies have nurtured excellent relationships with such Specialized Agencies as the FAO, WHO and UNESCO. As early as 1952 a few voluntary agencies were meshing their program plans with Specialized Agency goals. Gradually agency-to-agency cooperation, not only at planning levels, but in the conduct of field programs, has enabled the Specialized Agencies of the UN to realize the extent of expertise to be found within voluntary agencies.

With the UN's heralding of the 1960s as the Decade of Development, voluntary agencies began to scrutinize program goals for long-term development activities. At the same time, the U.S. Government was restudying its own foreign assistance program, while the UNDP initiated similar study of its capacity to assist less developed countries through structural social and economic change and to mobilize a variety of existing resources to serve that end.

The UNDP study recognized that ways must be found to communicate directly with both governmental and non-governmental organizations engaged in foreign assistance programming. To meet this need, the UNDP established a liaison office in New York to serve as an inter-agency channel of communication for nongovernmental entities including voluntary agencies. Resident representatives were also at this time given wider authority and concomitant program prerogatives at the country level for increasing cooperation throughout the total UN family and between

UN agencies and non-governmental organizations.

It appears, therefore, that the UNDP and voluntary agencies are on the threshold of intensified operating cooperation, and to help that cause we recommend that a conference be called to bring together principal UNDP officials and representatives of U.S. voluntary agencies—as well as other UN agencies and such organizations as the World Bank—for developing closer cooperation and procedures for voluntary agency collaboration with UN and other multilaterally-sponsored development activities.

A meeting held in New York in April, 1973, at the initiative of the NGO Committee on UNICEF, and with the cooperation of UNICEF and the UNDP, constitutes a good start in this direction. The Advisory Committee notes that one workshop at this meeting focussed on mutual collaboration in field-level activities and in particular the opportunities for expansion of relationships between NGOs and the regional and field offices of UNICEF and the UNDP respectively.

The Advisory Committee recognizes the difficulty of an intergovernmental organization meeting formally with the voluntary sector of but one country. But the Committee would hope that such a conference proves only a starting point for a broadening span of cooperation and mutual understanding between the UN and voluntary agencies in other developed countries.

Disaster Relief

In April 1971, the Report of the President's Commission for the Observance of the 25th Anniversary of the United Nations was released. This document contained a notable recommendation concerning voluntary agency cooperation with the United Nations in disaster relief:

The Commission believes that the time has come to create a long-range, worldwide program under the United Nations aegis to deal with natural disasters in close cooperation with other agencies. . . . These needs must be met by the government and voluntary

agencies with experience in this field; their contributions will continue to be vital to any coordinated global effort.

By the early spring of 1972, acting on a General Assembly resolution, the Office of the UN Disaster Relief Coordinator was opened in Geneva, Switzerland. Immediately the Coordinator began meeting with voluntary agencies in Geneva and New York to work out procedures for overall coordination of disaster relief efforts. Once again the United Nations performed an important role in coordinating their efforts with those of voluntary agencies and initiated communications on the matter.

The cessation of hostilities resulting in the birth of the new nation of Bangladesh found the United Nations and voluntary agencies working in close harmony in reconstruction and rehabilitation efforts. Under the direction of Sir Robert Jackson, the staff of UN Relief Operations, Dacca (UNROD) met several times with representatives of voluntary agencies in New York for the purpose of sharing information and discussion of common programming problems. The relationship was galvanized by periodic meetings of representatives of voluntary agencies and UNROD staff convened by the Bangladesh Government in Dacca. The Committee also understands that UNROD and the American Council have developed an excellent relationship for the purpose of sharing information between them.

There is increasing evidence, therefore, that the relationship between U.S. voluntary agencies and the United Nations are finally emerging from a period when they were at best tenuous and sporadic. The proof of this, however, must be found in demonstrable effectiveness in the field, such as occurred during the Bangladesh operations.

It must be recognized that the UN is not one homogeneous body with a single will and purpose. It is composed of many agencies, each with its own approaches and concerns when it comes to providing assistance to the developing countries. Different levels

of appreciation of the role which U.S. voluntary agencies can play result in differences in the degree of UN interest in establishing collaborative relationships with them. Competition for scarce resources is seen most clearly in the donation of U.S. food resources for overseas distribution by FAO as part of the World Food Program, when, at the same time, U.S. voluntary agencies are also seeking support for their own programs.

No less a problem for the UN is the multiplicity of voluntary agencies with which relationships must be established on an equitable basis. To involve all equally in their operations would be administratively and financially impossible. Yet this should only indicate that standards or appropriate formulae should be developed in accordance with which some voluntary agencies would become more involved with UN operations than others. Careful attention should be given to the unresolved problem of how and to whom voluntary agencies would be held accountable in collaborative arrangements with UN bodies.

Just as in the relationships which voluntary agencies establish with host governments or with A.I.D., constant adjustments must be made on both sides of the UN-voluntary agency equation in order to maintain their independence and not undermine the flexibility in operations of voluntary agencies. Both patience and tolerance are needed among public and multilateral agencies as well as private sector organizations.

With these caveats fully in mind, the Advisory Committee believes that establishing close working relationships with UN programs offers voluntary agencies a new dimension of service which deserves every encouragement. The evidence of cooperation in Bangladesh and with UNROD, the prospects of service through the UNDP liaison office, and the gradual increase in cooperation in food aid and technical assistance, suggest the arrival of a new era of voluntary agency-United Nations cooperation.

III

FOOD AID

Historical Background

For more than two decades, one of the major demonstrations of the partnership between the U.S. Government and voluntary agencies has taken place in the distribution of Government-donated food commodities by voluntary agencies overseas. Yet it is also at this particular juncture of the partnership that there is a crisis of extraordinary proportions.

This crisis has been in the offing for some time. But only recently has it become a matter of public and world-wide alarm, as it becomes increasingly apparent that world demand for food is far outstripping supply and that the world is threatened with a period of indefinite, if not permanent, food shortage.

To Americans who, since the Second World War, have lived in a period of agricultural abundance in which, for many years, governmental production control programs were devised to limit the accumulation of surplus agricultural products, this has come as a great shock. To those overseas, stricken by famines and desperately yearning for an improved standard of living, there is burgeoning fear. And to many U.S. voluntary agencies, who have devoted a large percentage of their activities to the distribution of food aid and to the sponsorship of programs based upon the availability of U.S. funds and surplus food stocks, there is reason to anticipate profound administrative dislocations and programing reorientations.

Public Law 480

The statutory basis upon which this partnership between voluntary agencies and government has been built dates back to the Agriculture Act of 1949, which authorized the Commodity Credit Corporation (CCC) to "make available . . . food commodities [in excess of anticipated disposition] . . . to private welfare organizations for the assistance of needy persons outside the United States."

Prompted by the accumulation of massive surplus stocks of food by the CCC, which were in excess of anticipated commercial market demands, this legislation became the basis for a variety of food distribution programs in Europe where food shortages persisted in the aftermath of the destruction of World War II. Beginning as a temporary response to an emergency, the humanitarian relief efforts which this legislation initiated on the part of U.S. voluntary agencies has continued to this day.

The success of food aid programs, which have provided a remarkable humanitarian service overseas, was reinforced in 1954 with the passage of the Act since known as Public Law 480 (or, more simply, PL 480). The several titles of this Act provided for: (I) sales of CCC stocks for currencies of other countries; (II) grants of commodities to other countries; (III) distribution of commodities through voluntary agencies at home and abroad; and (IV) dollar credit sales of commodities to other countries with long-term repayment schedules.

This law, too, though it regularized and stabilized the use of excess American farm commodities for meeting overseas needs, was primarily viewed as a temporary program designed to expand overseas commercial markets for American farm produce. Its declared policies included expanding international trade, facilitating the convertibility of currency, promoting the economic stability of American agriculture, and furthering the foreign policy of the United States. Little was said about meeting human needs or using excess food commodities for development purposes in poverty-plagued countries, although it was in fact used for such purposes.

In 1961, however, Title II of PL 480 was amended to authorize grants of surplus commodities explicitly to promote development. In so doing, provision was made for defraying the cost of Food-for-Work projects from local currency accounts accruing from the sale of U.S. commodities under Title I of the Law or from the sale of a portion of Title II commodities if Title I funds were insufficient.

Significant amendments to PL 480 were made in 1966. The revised Law readjusted the several titles so that all concessional sales of CCC stocks (both local currency and long-term dollar credit) were combined under Title I; all donation programs (both voluntary agency and government-to-government) were included under Title II; Title III provided for bartering U.S. commodities for products and materials of recipient countries; and Title IV outlined general provisions and requirements.

Amendments to PL 480 in that same year also removed the requirement that agricultural commodities available for food aid purposes must necessarily be in "surplus" abundance, reinforced the use of commodities for the support of development projects, and authorized the CCC to pay the costs for enrichment, preservation, and fortification of commodities available under Title II.

This latter provision encouraged the development of low-cost, nutritious high-protein food blends such as CSM (corn-soya-milk) and WSB (wheat-soya blend), and the recent combination of soy-fortified bulgur, cornmeal, and rolled oats. The availability of these blended products under Title II has greatly strengthened the effectiveness of the program in coping with serious dietary deficiencies among the very poor in developing countries.

The Magnitude of the Program

Over the course of some 20 years, the PL 480 program has rendered an incalculable service to peoples overseas. Measured solely in quantitative terms, the magnitude of the program in dollar terms is indeed impressive. The following table, drawn from the Annual Report of the President, July, 1973, concerning activities carried out under Public Law 480, provides the following dollar figures:

Value of Commodities Exported
Under Public Law 480

July 1, 1954 through December 31, 1972

Title	\$ (in millions)
I Sales for foreign currencies	12,286
I Dollar credit sales	3,180
Total Title I	15,466
II Government donations	1,614
Donations through voluntary agencies	2,850
Total Title II	4,464
III Barter	1,731
Total PL 480	\$21,661

This total of food shipped overseas under PL 480 constitutes 21 percent of the total U.S. agricultural exports in this same period. In 1972 alone, roughly \$1 billion in PL 480 commodities was made available to developing countries. This accounted for approximately one-third of U.S. development assistance. Of particular importance is the fact that voluntary agency programs, as shown in the above table, have accounted for the distribution of almost two-thirds of the value of Title II commodities.

Significant changes in the relevant proportions of the several programs, and in the fluctuation from year to year of the total value of PL 480 shipments, have occurred. Donations through voluntary relief agencies rose to their highest point in the first two full years of the program, 1955 and 1956, when \$186 and \$187 million were donated; three years later this amount had dropped to \$111 million. Rising to \$186 million again by 1964, it was down to \$132 million in 1966.

These fluctuations have certainly had administrative ramifications on the programs of voluntary agencies, although dollar figures do not necessarily represent equivalent fluctuations in the actual tonnage of commodities shipped by voluntary agencies. Yet voluntary agencies say they have made planning difficult, with some programs phased out before they

have been completed, and others started, only to be quickly shut down. The impact of these past fluctuations, however, has been minor in comparison with what has occurred over the past three years.

The following figures, provided by A.I.D.'s Food for Peace Office in November, 1973, tell the story. In FY 1972, voluntary agencies received 1,392,000 metric tons of commodities under Title II, PL 480, valued at \$250.9 million. In FY 1973, this had dropped to 809,000 metric tons valued at \$151.2 million, and in FY 1974, a further cut was taken when only 558,000 metric tons of commodities, valued at \$140.1 million, were donated through voluntary agencies. The FY 1974 figures showed a drop to 40 percent of FY 1972 in metric tonnage and to 55.8 percent of FY 1972 figures measured in dollar terms.

From such figures as these, one conclusion becomes painfully evident. Despite the remarkable contributions of the PL 480 program over the years, existing PL 480 legislation has not provided a firm foundation for the moral obligations and humanitarian impulse of this country to assist those in need overseas.

This has become even more clear in the past year during which time a food crisis of world-wide proportions has precipitated strong encouragement to increase production to meet ever-increasing and seemingly insatiable demands for food.

The problem is complicated and the dimensions of it are incalculable. Even the basic facts escape delineation. Yet no discussion of the future role of voluntary agencies overseas can be divorced from this world food problem.

Food Needs of the Developing Countries

Basically, the world food problem throughout the 1960s was viewed as a race between population growth and agricultural production. Although production varied on account of weather conditions, and demands on existing supplies varied as famines, floods, earthquakes, and war occurred, there was always a cushion at hand. And this cushion, for the most part, was the reserves of food held by the

United States and into which it could dip to avert major crises. When national disasters occurred, these were viewed as transient phenomena which could be handled without undue strain; and to deal with the long-term problem, efforts were focussed on curbing population growth.

This is now seen to be only part of the picture. Recently a new variable has entered the equation of no less importance than population growth. People are eating more. Rising affluence, particularly in the developed countries, but also evidencing itself in the developing countries, is causing a rise in per capita consumption—particularly in grain utilization—and hence a rise in demand for food. As just one case in point, Japan is expected to increase its consumption of meat by 7.5 percent annually, raising per capita meat consumption from 17 kilograms in 1970 to 42 kilograms by 1985.

In response to this (as well as to such factors as urgent balance-of-payments considerations, the devaluation of the dollar, and reduced production of major food grains overseas) United States food reserves have been seriously depleted. Compounding the problem, weather conditions have restricted production of certain crops. In addition, certain areas of North America have been subjected to droughts approximately every twenty years, with parts of the high plains involved in all of them. If meteorologists are correct in their predictions, U.S. production could be reduced in the next few years, since 20 years have elapsed following the last drought.

Compounding the problem further is the fact that this year American farmers will no longer be encouraged to keep land out of cultivation in order to reduce the supply of food. With all acreage restrictions removed in 1974, another buffer against worldwide shortages of food, will have been eliminated. In other words, as of 1974, both forms of possible food reserves—commodities withheld from the market to provide a buffer against the vagaries of weather or plant diseases, and cropland idled which could be brought back into production when need arose—will

have been largely exhausted or will exist at a perilously thin margin.

Under these conditions and others, PL 480, as it affects the availability of food for overseas distribution by voluntary agencies, has been rendered largely obsolete.

Initially this legislation was predicated on the existence of surpluses, and food disposal overseas was both a practical expedient and a humanitarian gesture. Although since 1966, Title II shipments under PL 480 have not been statutorily dependent upon the existence of U.S. food surpluses, an attitude of mind, born of the tradition of surpluses, has taken hold. Consequently, the availability of U.S. food resources for humanitarian assistance is dependent not only upon Congressional appropriations for the purchase of commodities but also upon the availability of U.S. food reserves. And this renders food for overseas distribution in short supply.

Meeting Overseas Needs

This is particularly disturbing because it is taking place at a time when needs overseas continue to increase in response to a number of still uncontrolled forces.

How fast these needs are increasing is hard to calculate. For instance, just what constitutes "need" is difficult to determine, since one man's need is another's luxury. Nevertheless, a July 20, 1973, Congressional report on the Mutual Development and Cooperation Act of 1973 stated that an estimated 300 to 500 million people in developing countries "do not get enough food of any type" and that "some 1.5 billion people have inadequately balanced diets and suffer particularly from protein deficiency."

Hard facts show that populations have been increasing at a rate of 2½ percent a year in developing countries and that a high proportion of increased income is spent on food. Production in developing countries has not kept pace with this increase in demand, and the developing countries have been forced to increase food imports, which have only in part been made up of food aid.

This current international scarcity of food appears to reflect long-term trends, characterized principally by lower food reserves and little, if any, idled cropland in the United States. Reduced supplies send prices higher; and, as competitive bidding on the world food market drives prices up, it drives the poorest countries out of the market.

Concomitantly, these same forces are curtailing shipments of PL 480 commodities to these same poor countries in the developing world. There is every reason to believe that food prices will remain high and possibly go even higher. To some it may be thought too expensive to be charitable.

Yet America cannot turn its back on starving people, and the desperate food needs of peoples overseas require far more urgent and compassionate attention by the American public than they are currently receiving.

Voluntary agencies are particularly conscious of the vulnerable position of the poor when food supplies are restricted and demand (and hence world prices) is high. The problem is that there is little they can do about it without the support of the U.S. Government. The remarkable partnership which has existed between government and voluntary agencies since 1954 in the area of food aid cannot now be allowed to flounder, especially when overseas needs are expanding at such a frightening pace.

Yet, in the face of scarcity, the strength of that partnership is being weakened by the existence of a number of major claimants for existing U.S. food. Among these are: domestic needs; domestic carry-over reserves; commercial overseas sales; strategically-necessitated government-to-government exports; and humanitarian overseas distributions. Within each category there are many options and a host of imponderables with which the U.S. Government must cope each year. Once upon a time, it faced these decisions when setting acreage allotments; now it does so when determining who gets how much in an age of relative scarcity.

In so doing, there is an understandable tendency to award highest priority to immediate domestic needs and vital and pressing diplomatic and strategic obligations. Even commercial sales are likely to be awarded a higher priority than the needs of the world's poor when America's balance-of-payments problems have reached a critical point.

The Advisory Committee appreciates the fact that these are difficult choices to make and that it is unlikely that any rigid standard governing allocations can be applied in a situation so constantly in flux and in which domestic considerations can understandably play so large a role.

Yet the Committee believes that stronger consideration should be given to America's moral obligation to help others in dire need of food, and that the temptation to ignore these needs is especially great in times of apparent scarcity.

In the light of these prevailing needs and our apparent inability to meet them fully and with consistency, there are those who suggest that a certain percentage of America's annual food production, or a certain dollar value thereof, be set aside for distribution programs of a relief and developmental nature. Were this to be done, it would provide added assurance that American humanitarian objectives would not be overlooked, particularly in such times as these.

One of the major problems which has bedeviled voluntary agencies in the past is an inability to plan food aid projects on other than a year-to-year basis due to the yearly fluctuations in available PL 480 food supplies. A recent independent evaluation of Title II programs considered this a major deterrent to the rational budgeting of Title II commodities. While voluntary agencies can plan ahead, U.S. Government policy has been dependent upon the budgetary process affecting the CCC.

As a means to solve this problem, the suggestion that a certain dollar value of America's annual production be set aside each year is not so attractive owing to fluctuations in the dollar value of food com-

modities: the suggestion that there be a percentage set-aside, on the other hand, addresses this problem better. Yet this latter suggestion necessarily runs afoul of many important domestic considerations, particularly in times of relative food scarcity. Both suggestions, however, are deserving of serious consideration by U.S. Government officials and the Congress.

Whatever the outcome of these considerations, the Advisory Committee believes that a higher priority than is currently assigned to it must be given to meeting America's humanitarian obligations and responding to the need for food aid in the development programs of voluntary agencies overseas.

The Advisory Committee also notes that a situation could develop in which the United States could not even prevent starvation and alleviate conditions of famine in other parts of the world. It strongly recommends that this country's policies provide for meeting at least these minimal requirements.

A further recommendation is that the priority of addressing human needs abroad—including programs designed to develop conditions of elemental self-sufficiency in food production in those developing countries where it is possible—be given explicit statutory recognition by the Congress. Meeting these obligations cannot be left to determination by the vagaries of weather or transient considerations of national self-interest. The philosophy that "every man's death diminishes me" is profound poetry; it also ought to be the foundation of U.S. foreign aid. We are, as the poet noted, "all involved in mankind."

World Food Program

As part of the process of meeting the food needs of the developing countries, the World Food Program (WFP) is taking on added significance as a major claimant for U.S. food resources. As such, U.S. voluntary agencies often consider the WFP as a competitor for U.S. food resources available for humanitarian distribution purposes.

Established on an experimental basis on January 1, 1963, the WFP became a permanent program of the United Nations in 1965. It has since become second only to the UNDP in the size and scope of its operations. In the first ten years of operation it supported 550 economic development programs in 88 countries; more than 12.3 million persons have been fed or were benefiting from WFP food by the close of this first decade of operation. It is expected that this number will increase to 24 million in the course of the next few years.

Figures provided in 1973 by A.I.D.'s Food for Peace office, presented in the following table, suggest the size of the WFP in contrast with the three other categories of programs in the amount of PL 480 Title II food received during the last three fiscal years.

PL 480 Title II Programs
(All Data in Millions)

	FY 72		FY 73		FY 74	
	\$	Lbs.	\$	Lbs.	\$	Lbs.
Voluntary Agencies	145	1,430	120	1,458	140	1,230
Government-to-Government	63	1,387	36	612	26	558
World Food Program	41	602	33	574	43	454
Emergency	155	2,143	100	1,919	28	580

This chart shows that the WFP allotment is a little more than a third of the amount the voluntary agencies are to receive in the current fiscal year. Although the United States hopes to reduce its proportionate share of commodities going to the WFP (from 50 percent down to 40 percent), policy-makers hope to continue the present total dollar value (if not the actual tonnage) of U.S. contributions. An increase in the volume of commodities available to the WFP will be made possible, if expectations are re-

alized, by increased contributions from other donor countries.

Yet the world food problem cannot be solved solely on a year-to-year basis. If food resources in future years are to be characterized by chronic scarcity, slight variations in weather conditions and the occurrence of natural disasters can cause starvation on an unimaginable scale.

To offset this "unthinkable" prospect, serious and eloquently articulated proposals are being made to assure a world stockpile of foods to meet unanticipated international emergencies. Suggested plans include one which calls for a centrally-administered global reserve and one which envisages national reserves in cooperating countries which would be subject to coordinated international planning.

The outcome of the deliberations which are now taking place at the highest of official levels in connection with these two proposals, and with others having similar objectives, is unclear. All such plans, however, focus on a matter which is deserving of the most urgent attention and sympathetic consideration. The Advisory Committee only notes that among the factors which must be given due consideration in these deliberations is the valued and unduplicable service which voluntary agencies, here and in countries throughout the world, should perform in the distribution of whatever form of reserves may eventually be established.

Voluntary Agency Food Programs

The projects undertaken by the WFP have included a variety of feeding programs for primary school children, pre-school children, pregnant and nursing mothers, secondary and university students and trainees, workers engaged in work projects receiving food aid as part of their wages, volunteers who receive food parcels as an incentive in self-help projects, farmers engaged in land improvement, as well as settlers and refugees.

These projects are similar in nature to many of those undertaken by U.S. voluntary agencies, and usually complement them or are, at least, fully consonant with them.

Food aid programs are undoubtedly associated in the public mind with programs which dole out food to starving children in times of disaster and to refugees without any other source of food. Yet such feeding programs as these constitute only a part of the wide-ranging programs in which food aid is used by voluntary agencies.

One of the most significant types of program falls under the rubric of Food-for-Work. Such programs are designed to support self-help activities at the local or community level, and contribute to the improvement of income distribution and employment opportunities for the poor, while alleviating the immediate need for food, and often increasing local agricultural production. Generally small-scale and of limited duration, these programs focus on the everyday requirements of individuals and communities—housing, agriculture, and transportation. They include land clearing and irrigation projects, the building of dams and farm-to-market roads, the installation of village potable water systems, the development of inland fisheries, and construction of cattle dips. In rural communities the needs are seemingly endless, and Food-for-Work projects have sought to cope with many of them, often in accordance with locally determined priorities and involving the participation of local communities in both their planning and implementation.

Increasingly, these various local projects have been viewed as inextricably interrelated, each discrete project contributing to the successful completion of others and their long-term viability. This has given rise to what have come to be known as "integrated rural development" programs, in which a variety of conditions are tackled simultaneously, employing different technical inputs, materiel, and personnel resources. Almost invariably, one of the necessary ingredients of such programs has become food aid.

In recent years, A.I.D., in cooperation with voluntary agencies, has focussed increasing attention on ways to affect conditions in the developing countries which militate against increases in domestic food pro-

duction. This concern has been buttressed by new foreign aid legislation directing A.I.D.'s attention to the poorest of the world's people, and to the application of American problem-solving techniques to priority areas among the world's poor. This should mean that greater attention will be given to integrated rural development programs utilizing food aid and conducted in accordance with consortia agreements among several U.S. and host country voluntary agencies.

Title II programs in the past have given special emphasis to school feeding programs. In FY 1971, for instance, \$116.8 million or 57.6 percent of the total Title II program, excluding Emergency Assistance and Title II donations to the WFP, were used in such programs. This compared with \$40 million, or 19.7 percent, which were allocated to maternal/child health programs and \$37.3 million, or 18 percent of the total, which went to Food-for-Work programs. In response to the present world food situation and a recent global assessment of past Title II programs, greater priority is expected to be given to maternal/child health programs and Food-for-Work projects.

The Advisory Committee supports the increasing emphasis on integrated rural development programs which seek to strengthen local institutions and train needed manpower to increase agricultural production in countries which have not yet achieved self-sufficiency in basic foodstuffs. While self-sufficiency in some countries may be impossible to achieve, in others it is a realizable objective in several principal crops, provided that external help is available and local commitment remains strong.

The Advisory Committee, believes therefore, that broader and more sophisticated programming by voluntary agencies, based on reliable research data and the careful design of projects in cooperation with host governments, should be given greater encouragement by A.I.D. and deserves greater priority in voluntary agency allocations of privately-raised funds.

This does not signify a lessening of the importance which must necessarily be attached to alleviating desperate conditions of dietary deficiency on the part of people in the developing country; this in itself is a cause of reduced agricultural yields, since rural workers weakened by protein-deficient diets are hardly as productive as those whose diets meet at least minimal standards. Nor does this mean that there should be any lessening of our humanitarian commitment to victims of natural or man-made disasters.

The Advisory Committee recognizes, however, that in periods of food scarcity, priorities assume particular importance. It, therefore, recommends that those responsible for the establishment of priorities in the use of U.S. food aid be mindful of the long-term need to increase food production in the developing countries. It is in these countries, rather than in the developed countries, where the greatest opportunities lie to slow consumption trends by population control and by increased production through the expansion of acreages under cultivation and the increasing of yields per acre.

Voluntary agency programs which contribute directly or indirectly to either of these objectives through food aid are especially deserving of priority consideration when available food is allocated for overseas development programs. Congressional legislation concerning food aid and its uses should reflect the importance of using food for development purposes in addition to the alleviation of human suffering in emergencies and times of disaster.

Voluntary agencies must also do their part. In times of relative scarcity, they must consider alternative projects which may not be so heavily dependent upon U.S. food resources to achieve the worthy developmental objectives they have set. The Advisory Committee recommends that voluntary agencies focus increasingly on alternative programming and explore options using dollars, other types of in-kind grants, and available host country food resources, while phasing out programs using food which have only a marginal developmental impact.

Administrative Burdens in Utilizing U.S. Food Commodities

All voluntary agencies utilizing Title II commodities must first be registered and approved by the Advisory Committee and must, in addition, meet specific program criteria and adhere to rigorous administrative procedures. Accreditation with the Advisory Committee renders voluntary agencies eligible to apply for three types of subventions: (a) grants of PL 480 Title II commodities for use in A.I.D.-approved programs; (b) payment by the Government for the freight costs of these foods as well as other specified supplies for international assistance programs; and (c) various kinds of U.S. Government-owned excess property and equipment.

Of the 90 voluntary agencies registered with the Advisory Committee, only eight have currently elected to receive and program PL 480 commodities. Of the total subventions allocated, two agencies receive nearly 90 percent of these subventions; two other agencies account for slightly more than 8 percent. These percentages have varied substantially over time, and some agencies have deliberately reduced their involvement in the program. But at no time have more than 16 agencies (including UNICEF and UNRWA which cannot be classified as private voluntary organizations) participated in the PL 480 program in any one year.

These facts, however, are misleading. For, owing to the cost of administration, procedural regulations, and the necessary investment in qualified personnel to plan, administer, and account for such programs, only voluntary organizations with nationally extensive fund-raising capabilities can afford to undertake multi-country PL 480 programs.

The result is that while only a few agencies act as principal recipients of these Government subventions, a large number of U.S. and indigenous agencies act in a role not dissimilar to that of sub-contractors in the use of these commodities. In other words, a principal recipient (or "sponsoring agency") will assume primary responsibility to the U.S. Government for

receipt of these subventions. Some of the commodities so obtained will then be reallocated to other agencies for distribution and use in the field. Indeed, more agencies are involved in PL 480 distributions than have ever been counted.

Reductions in the availability of PL 480 commodities, therefore, have a truly "untold" effect on the overseas activities of a host of U.S. and indigenous voluntary agencies; such reductions also adversely affect the projects of agencies which may not themselves be using food in their programs, but which are working in concert with other agencies using food.

Yet if significant simplification and liberalization of rules and regulations pertaining to voluntary agency use of U.S. food commodities were effected, many more agencies would be able to participate directly in these programs. Most importantly, it would enable many smaller agencies to use food in limited and carefully pinpointed ways to encourage local development through food-for-work type programs. But at present, administrative costs and requirements regrettably inhibit wider participation among the voluntary agency community.

Regulatory Mechanisms

Voluntary agencies participating in Title II programs must function within a complex network of regulatory and decision-making mechanisms of the Government. Within this complex system many voluntary agencies find it difficult to effectively interpret and communicate problems respecting their objectives and *modus operandi* to government officials both in the United States and in host countries.

Many government decisions respecting food aid are understandably dominated by considerations of trade balances, capital loans, geopolitical considerations, and a desire to respond to the immediate technical needs of central government ministries, although they do also show a concern for human needs at the local level of societies where the activities of voluntary agencies are focussed and where voluntary agencies have developed so impressive a record of achievement and expertise.

The problem of intermeshing the differently-focused concerns of the U.S. Government and voluntary agencies is rendered difficult owing to the fact that the latter are not fully a part of the governmental decision-making process governing food allocations, except at the very beginning of the process.

Assuming that an agency has been duly registered and has clearly demonstrated its management capability, it must first develop a multi-country Food for Peace Agreement with AID/Washington. Once this is signed, the voluntary agency develops a Program Plan (PP) which is submitted to the USAID Mission in each country where operations are planned. The Program Plan plots a three-year detailed plan of operations in the country and includes such information as intermediary institutions to be used, numbers of anticipated recipients, proposed schedules for distributions, and administrative arrangements regarding supervision, personnel, and in-country distribution. The agency must also work out with the host government an agreement confirming its cooperation in the program, and written assurance of this from the host government must accompany the Program Plan.

The PP must also be accompanied by an Annual Estimate of Requirements (AER) for each of the three years. Despite this, even after the program is finally approved, the AER must be resubmitted each year to cover requirements for the following year and to update the program. To all intents and purposes, therefore, the size and character of the program is determined on an annual basis. Commodity requirements for the program must also be submitted annually to the U.S. Department of Agriculture (USDA).

Moreover, decisions regarding types, quantities, and values of commodities available for Title II programs in any given year are made by the USDA. In general, it cannot be expected that nutritional or human needs of peoples overseas are central to such determinations; the central consideration has appeared often to be estimating what will be left to

distribute overseas by voluntary agencies only after the needs of normal commercial channels and governmental concessional sales have been calculated.

Suggested Regulatory Changes

Central to considerations of regulatory improvement is the need to streamline and simplify the process of developing, assessing, and approving Title II programs so that voluntary agencies, with their unique and important perspective, have a meaningful voice. This would go far toward solidifying the partnership between the U.S. Government and sponsoring agencies in the employment of food aid for humanitarian and development purposes.

The Advisory Committee, therefore, recommends that mutual efforts by both Government offices and voluntary agencies be made to establish a joint review system for simplifying and improving regulations affecting voluntary agency administration of food aid programs.

The calling of a conference of appropriate Government and voluntary agency officials to revise guidelines governing the regulatory system and to develop a method for the voluntary agency community to participate in the drafting of new regulations is, therefore, recommended.

Agenda items deserving consideration at this conference include: (1.) establishing simplified and substantially uniform regulations for the use of U.S. food commodities available for overseas distribution by bilateral, multilateral, and voluntary organizations, including approval procedures, administrative and accounting requirements, end-use checks, and monitoring; (2.) recommending means to encourage inter-agency collaboration in programming food aid so as to involve smaller and more specialized voluntary agencies in these programs; (3.) redesigning regulations governing milling, processing, and packaging of Title II commodities to stimulate the establishment of food processing industries in host countries; and (4.) broadening Title II food packaging and labelling regu-

lations and nutritional information programs in host countries so as to respond more sensitively to differing host country attitudes.

The Advisory Committee believes that determinations which affect budget decisions and food allocations to specific voluntary agency programs should reflect more closely actual field conditions reported by sponsoring agencies, and permit them to plan programs with more certainty and commitment beyond the present annual estimate. To undergird these principles, the Advisory Committee recommends:

(1.) That voluntary agencies be invited to review programs with appropriate Government officials prior to the finalization of budgeting and allocating decisions; and

(2.) That, within global and regional decisions, budget and commodity allocations for specific agency and country programs be determined as much as possible in the host country itself, thus shortening the long chain of referrals and paperwork currently required for approvals.

IV

REFUGEE AID

The Scope of the Problem

Although massive displacement of peoples is a historical phenomenon of ancient lineage, probably nothing akin to the movements of refugees in this century has occurred since the disintegration of the Roman Empire. The magnitude and complexity of the continuing, ever-changing refugee problem merits serious concern.

The mass destruction perpetrated by two world wars, the spread of oppressive political systems, the fragmentation of former colonial empires and the consequent internecine power struggles within new nation states, rapid changes in the social and economic fabric of traditional societies, and the awesome consequences of natural and man-made catastrophes in areas of severe overpopulation—all of these events and others have created intolerable conditions for many millions of people.

Many official definitions of the status of political refugees have been proposed. These are often established by national laws and included in international mandates. Some are broad and encompassing; others are discouragingly legalistic. But whatever the definition, and whatever may be the political or natural circumstances which have precipitated the refugee situation, voluntary agencies, out of a deeply-felt humanitarian concern, are daily faced with the human conditions which the refugee is forced to endure. Uprooted from his native environment by forces beyond his control, usually under extreme stress and frequently without any worldly goods except what he can carry, he is a pitiable figure, plagued by fear, hunger, uncertainty, degrading conditions of temporary refuge, statelessness or disfranchisement, unemployment, and social hostility. Oftentimes so-called resettlement or even repatriation or new citizenship cannot heal the wounds resulting from this period of upheaval.

Governmental response to refugee conditions is primarily guided by political and diplomatic considerations, while also infused with humanitarian motives. As in other areas of human need and public response, the voluntary sector has a significantly different perspective toward the refugee problem than that of governmental or inter-governmental bodies.

It is often unfortunate that technical and legal definitions embodied in treaties and international law sometimes limit the refugee's rights and movements as well as the response of governmental mechanisms. The family of U.S. voluntary agencies, motivated primarily by humanitarian rather than political considerations, has a significant history of urging flexibility in applying "the letter of the law" to the refugee status and in urging governmental bodies to focus on the main concern of refugees, which is their need to find safety, relief from distress, and new homes and opportunities.

The very character of the voluntary sector makes the priority consideration the refugee's human needs, irrespective of the political or regulatory web in which he is caught. Oftentimes for one government to assist the refugees from another state is looked upon as an unfriendly act, necessitating delicate negotiations before any multilateral response can be made to the human needs of refugees. By contrast, the response of the voluntary agencies is apolitical.

Effective partnership between the voluntary sector and governments on behalf of refugees must, therefore, be predicated upon a mutual understanding of the differences in their approach and the constraints under which they operate. The confusing web of government machinery which exists to deal with refugee problems and the consequent difficulty of facilitating easy communication between agencies of the U.S. Government, multilateral institutions, and voluntary agencies must also be taken into account in a heart-rending area of human need.

The magnitude of the world-wide refugee problem became especially apparent to Americans in the aftermath of World War II. Since then, however, ex-

cept for an awareness of the situation in Southeast Asia and the Indian subcontinent, public attention to the refugee problem has been distracted by other events. Consequently, the response to the needs of refugees receives less priority in public policy than the magnitude of the problem warrants. Some semblance of the scope of the problem is contained in summary figures of refugee populations at the end of 1971 and 1972, compiled by the State Department's Office of Refugee and Migration Affairs: As of December, 1971, the number of refugees stood at 7,882,000; by December, 1972, the total had reached 8,829,000.

These figures are always subject to dramatic change, depending on events. It is disheartening, however, that appallingly high annual totals persist year after year. Indeed, over a large span of time the refugee problem has grown significantly in magnitude, while public consciousness of it gives every appearance of having atrophied.

Developing the Voluntary Response

Much of the early history of international voluntary activities in the United States developed out of America's traditional concern, traceable to its own origins, for the flight of refugees from intolerable conditions in other countries. To the needs of French Acadians exiled from British Canada in 1755, the beleaguered Greeks fighting for their freedom in the 1820s, starving immigrants from the Great Famine in Ireland in the 1840s, to those dispersed by famine in Russia and by political and religious massacres in Turkish Armenia in the 1890s, the tragic dispersion of Jews from Eastern Europe in the following decades, the enormous numbers of people forced into exile or who had become stateless wanderers as a result of World War I—to all of these, voluntary groups in the United States were among the first to respond. In a number of cases Government support was either denied or provided reluctantly.

Voluntary efforts to meet such needs were first organized on a local or community basis; eventually

regional and national associations were organized. The work of the American Red Cross in the latter part of the last century and the vast relief activities directed by Herbert Hoover after World War I were among the greatest achievements inspired by voluntary support of refugee situations which occurred prior to World War II.

Except for a brief year of participation in Mr. Hoover's program, the U.S. Government, however, was content to leave refugee assistance to the voluntary agencies and to the League of Nations. This position changed only in the last 1930s when a program conducted for victims of Nazi persecution in Germany was organized under a 36-nation Intergovernmental Committee on Refugees. This marked the beginning of what was to develop, during the holocaust of the ensuing years, into a continuing working partnership in refugee assistance between the U.S. Government and voluntary agencies.

The great dislocations caused by World War II and the Axis powers were of such a scope that governmental and intergovernmental resources had to be applied as never before. At the same time, the voluntary sector, because of its apolitical character, continued to perform a wide range of services which governments could not. Much of the U.S. effort was coordinated through the American Council and its Committee on Migration and Refugee Affairs, which was originally established in 1944 as the Displaced Persons Committee. This committee early recognized the need for coordination among the multiple agencies serving refugees and other displaced persons, all of which agencies—governmental, intergovernmental, and voluntary—were working without clearly demarcated lines of responsibility. Under this same committee's auspices, a year-long survey of "The Problem of the Displaced Persons" was undertaken in 1945. Some of the principles suggested by that study have helped to influence the direction which assistance to refugees has since taken, on the part of both public and private agencies.

The Committee on Migration and Refugee Affairs is comprised of some 27 member agencies of the American Council, including the service arms of the major religious faiths as well as non-sectarian organizations. Secular agencies are particularly faithful to the assistance of displaced persons and refugees of a specific nationality or ethnic group, such as Armenians, Czechoslovaks, Chinese, Hungarians, Lithuanians, Poles, Russians, and Yugoslavs, among others. All agencies, however, follow the same procedures in the resettlement of refugees, which requires great sensitivity to the background of the individual refugee and awareness of the problems he faces in adjusting to life and conditions here.

International and Inter-Governmental Agencies

American voluntary agencies have worked closely with instruments of the United Nations that have dealt with the problems of refugees and the forced movement of peoples. Since refugee matters are primarily an inter-governmental concern, voluntary agencies are especially eager to develop a wider range of working relationships with appropriate multilateral bodies. The web of such relationships is complex and multi-faceted, and to understand this requires a brief review of these multilateral efforts.

The first international body for assistance to refugees was established in 1921 by the League of Nations, on the initiative and under the direction of Fridtjof Nansen. It was known as the Office of the High Commissioner for Refugees. Its mandate and funds were limited, although the mandate embraced material assistance and legal and political protection.

The refugee problem became more acute following the rise of Hitler. In 1933, at a conference in Evian, France, the Intergovernmental Committee on Refugees was established, though its work was defined in limited terms. Voluntary agencies were unofficial participants in its efforts.

Before the end of World War II, it became obvious that the nations of the world were to be faced with a massive problem of caring for the surviving

victims of that tragic period, including millions of persons who had been shifted from their normal abode and survived the Nazi concentration camps. It was apparent that widespread devastation would require many programs of inter-governmental relief and rehabilitation. To meet this need the United Nations Relief and Rehabilitation Administration (UNRRA) was created in 1943, and the care and repatriation of persons dislocated by war were part of its general program.

In 1948, UNRRA was succeeded by the International Refugee Organization (IRO), also under United Nations auspices. This organization, working together with American and other voluntary agencies, resettled more than a million persons in various parts of the world.

The United Nations Relief and Works Agency for Palestine Refugees (UNRWA) was established in 1950 to care for the hundreds of thousands of Palestine refugees who fled their homes to neighboring countries at the time of the Palestinian war and the emergence of the State of Israel.

In 1952 two major organizations, both still in existence, were founded. One was the Intergovernmental Committee for European Migration (ICEM), established for the purpose of assisting certain Western European countries concerned not only with the remaining problem of refugees but with providing opportunities in other countries for the surplus manpower in Europe. ICEM devoted much of its initial attention to refugees fleeing from communist oppression in Eastern Europe.

The other organization was the Office of the United Nations High Commissioner for Refugees (UNHCR), established to provide legal and protective assistance to dislocated persons and refugees. This protection includes supervision of the application of the Convention Relating to the Status of Refugees as well as a later Protocol, ratified by the United States in 1968. The UNHCR assists governments and private organizations in seeking permanent solutions to the problems of refugees by their

integration in the country of asylum, by voluntary repatriation to their own country, and by resettlement in other countries.

Both ICEM and UNHCR are, in effect, outgrowths of the IRO.

The U.S. Government Matrix

World War II produced a confused intermixture of refugee and migration problems, in which both the U.S. Government and voluntary agencies were active. Following World War II, one of the first important contributions to the resettlement of European refugees occurred in 1945 when a Presidential directive was issued which made possible the movement of over 40,000 displaced persons to the United States. In 1948, the Displaced Persons Commission was established by an Act of Congress to undertake the resettlement in this country of designated classes of displaced persons and refugees, mostly European. That Act marked a distinct policy departure from the rigid limitations of the basic immigration laws and, through the cooperation of U.S. voluntary agencies, over 400,000 immigrants were settled in the United States and successfully blended into the American community. Although the Displaced Persons Act of 1948 was designed as a temporary measure to deal with a specific situation, its human motivation has carried through to America's continuing refugee concerns, policies, and actions.

Following World War II, not only were there massive population dislocations in Europe, but other regions were similarly affected. In Asia, displaced Chinese, Indians, Japanese, Javanese, Malayans, and Koreans were stranded in countries other than their own. The revolution in China led to the migration of many thousands of people from the mainland to Hong Kong, Taiwan, and elsewhere. The partition of India in 1947 uprooted millions of people, just as in 1954, following independence for Indochina, almost a million persons fled from North to South Vietnam. But the complex features of any event like the recent forced exodus of Asians from Uganda or the more recent problems encountered in Vietnam

give rise to recurring problems of coordination and mutual understanding between the government and voluntary agencies.

In most circumstances, the U.S. Government has facilitated the services provided by voluntary agencies in these situations. The actual work has been divided between the State Department's Office of Refugee and Migration Affairs (ORM) and its predecessor organizations, dating back to World War II, and, in the case of several large programs in Southeast and South Asia, the Agency for International Development. Support of UNWRA's assistance to Palestinian refugees is administered by the State Department's Bureau of International Organization Affairs.

Commodities made available under PL 480 as well as ocean freight reimbursements have played a significant role in Government support of voluntary agency refugee programs. In addition, to support their refugee work, both ORM and A.I.D. have made cash grants to agencies or have concluded contracts with them. If such current programs as ORM support of voluntary agency activities in the resettlement of refugees in the Sudan, and A.I.D.'s support of the voluntary agencies' work in Bangladesh are auguries of the future, the partnership between the Government and the voluntary sector in behalf of refugees may be significantly advanced in the next few years.

Migration and refugee affairs often are interlinked, both in Government and in voluntary agency operations, as are displacements due to both natural and man-made disasters. Therefore, since World War II, both refugee and migration programs have been handled by a single organization within the State Department, albeit in several forms and reporting to different senior officials.

The result was that, during these years, voluntary agencies had to deal with diverse and changing elements within the U.S. Government and eventually asked that the decision-making apparatus in refugee affairs be consolidated at a higher level. The State

Department's response was to establish in 1966 the office of Special Assistant to the Secretary for Refugee and Migration Affairs.

The programs administered by the Special Assistant involve refugees or migrants on every continent, ranging from individuals and families to larger groups, sometimes reaching into the millions. They involve enforcement of treaties, particularly the Convention and Protocol on the Status of Refugees, the protection of asylum claimants, help in the long-continuing migration of refugees from Eastern Europe to the West, assistance for Soviet Jews migrating to Israel, settlement of refugees from civil war in the Sudan, resettlement of Asians expelled from Uganda, and other programs as they arise.

The Special Assistant's operations are bilateral in some cases, multinational in others. They include administration of the U.S. Refugee Program and supervision of U.S. Government support for the UNHCR, ICEM, and ICRC.

In nearly all these Government programs, voluntary agencies have taken an active role, working in cooperation and in consultation with the Government. The rich experience of the voluntary sector, in influencing U.S. migration policy while carrying on rehabilitation assistance to refugees, has clearly demonstrated a needed interlinkage between voluntary agencies and government.

Looking to the Future

The Advisory Committee endorses the work of the American Council's Committee on Migration and Refugee Affairs. It also notes that the U.S. Senate Subcommittee to Investigate Problems Connected with Refugees and Escapees issued a comprehensive report in 1969 on U.S. assistance to refugees throughout the world, to which the American Council largely subscribed. The report recommended the development of a national U.S. approach to refugee problems and included a provision calling for a worldwide policy on asylum and more flexible authority in the basic U.S. immigration statute for the admission of

refugees in reasonable numbers. Still another recommendation related to the extension of the movement and resettlement of refugees carried out by ICEM, with specific reference to assisting selected refugees in Africa, Latin America, the Middle East, and Asia.

The change in make-up of the types of refugees coming to the United States and the problems associated with this change, including the special social needs and cultural differences of new ethnic groups, calls for new techniques to help refugees adjust to their new surroundings. The Advisory Committee is concerned that efforts be made to equalize immigration from Eastern and Western Hemisphere countries, and to adopt less restrictive labor certification requirements for those seeking admission to the United States.

There seems little reason to doubt that in the remainder of this decade the magnitude of refugee movements will continue at a high level. Current events in Africa as well as in parts of Asia, the Middle East, and Latin America, suggest that the problem is global. Coping with it will require even closer cooperation among multilateral, bilateral, and voluntary agencies.

In the bilateral-voluntary sphere, the challenge calls for closer and more constant interchange between the several U.S. Government offices involved in refugee situations and the relevant operating entities of the voluntary sector. Yet the complexity and delicacy of refugee situations often dictate that several offices in the Department of State, as well as other federal departments in addition to the National Security Council and White House, are involved in decisions respecting the American response. Refugee assistance can be seen by some governments as an unfriendly act; difficult decisions, at high policy-making levels of the U.S. Government are, consequently, involved. But this further complicates the work of voluntary agencies trying to negotiate the labyrinthian network of government offices in search of direction, advice, and support concerning events

in which their humanitarian impulse suggests they become quickly involved.

The Advisory Committee recognizes the extreme difficulty in demarcating lines of authority and responsibility in refugee matters, some of which are solely of a domestic nature while others may involve several different countries, just as some are caused by natural disasters and others by man-made conflagrations and political upheavals.

Also recognized and appreciated are the efforts already made to rationalize this complex organizational situation and enhance coordination on refugee matters both within the U.S. Government and between the Government and interested voluntary agencies and multilateral institutions.

The Advisory Committee nevertheless recommends that an ongoing Task Force on Refugee and Disaster Services be established, under the auspices of the Advisory Committee, to help weld together the long-range interests and capabilities of the relevant offices of the Department of State, A.I.D., the U.S. voluntary agency community, including the American Council's Committee on Migration and Refugee Affairs, and, when appropriate, interested multilateral agencies.

The proposed Task Force should give consideration to: (1.) delineating organizational options and suggesting administrative changes with a view to effecting more coordination in both planning and execution of refugee programs by all agencies concerned; (2.) proposing specific mechanisms for coordinated efforts on refugee matters; and (3.) developing rapid-response informational networks of use to both governmental bodies and voluntary agencies. It should also recommend a range of priorities for participating agencies, such as with respect to the problems confronting families and homeless children displaced by the war in Southeast Asia.

As cited elsewhere in this report, the Advisory Committee hopes that efforts will continue to be made to assure greater cooperation between voluntary agencies and multilateral institutions. The valued work of the UNHCR in both repatriation and re-

habilitation deserves increased support from the voluntary sector, the general public, and government as does the work of UNWRA in the Middle East, the UN centralized office for disaster assistance, and ICEM in interregional migration movements.

The crucial issue, however, is whether public support in the more affluent nations can be mobilized effectively to meet this challenge.

V

DISASTER RELIEF**Voluntary Agency Response Capability**

U.S. voluntary agencies have a long and honored history of service in times of disaster overseas, a history which dates back to international earthquake relief which was provided Venezuela in 1812.

From such local and *ad hoc* efforts as this in the last century, large voluntary organizations have since developed. In the aftermath of both world wars, U.S. voluntary agencies undertook emergency services on a more systematic basis. The experience thus gained, and the consequent spread of voluntary agency personnel and programs around the world, has produced a unique resource available to serve the victims of disasters when needed.

The unique and perhaps most valuable contribution of voluntary agencies in disaster relief is that they are frequently the only type of organization present and able to cope with the most critical phase of disaster recovery. Their staffs are familiar with local customs and culture, as well as with the resources which can be mobilized. Indeed, voluntary organizations are sometimes the first to report a disaster to the outside world, and are the first to launch public appeals to finance relief efforts. Moreover, voluntary agencies generally continue their services to the stricken area even after major governmental and inter-governmental efforts are discontinued, and hence they perform a critical role in the long task of reconstruction and rehabilitation.

Of course, there are also politically sensitive situations where outside governmental assistance is inadvisable or unacceptable, and in such cases voluntary agencies, often in cooperation with indigenous voluntary groups, are able to perform an invaluable function which governments cannot.

The Committee on Material Resources of the American Council has developed a special expertise

in meeting disasters to complement those of the U.S. Government and multilateral agencies. For instance, it has established a disaster desk which, when disaster strikes, functions as an information and coordination center for voluntary agencies, bringing into existence an *ad hoc* committee to work out the respective roles of various concerned voluntary agencies.

Since many of the American voluntary agencies work with or through indigenous agencies in foreign countries, information on a disaster may be received by voluntary agencies in this country even before it is officially known by the U.S. Government. In addition, representatives of voluntary agencies on the spot are able to report speedily and often with great accuracy on the extent of the disaster and the types of assistance required to meet immediate needs. This constitutes a network capability within the agencies which should be thoroughly coordinated with governmental, international, and other private entities.

In the future it will be important that voluntary agencies reexamine their policies to facilitate a coordinated approach to specific disasters in the use of governmental, multilateral, and private resources. Moreover, it is important that a voluntary agency not undertake a humanitarian assistance program in times of disaster unless it has a nucleus capability to do so, despite the apparent need for all available resources to be brought to bear on a desperate situation. Although this problem will be discussed in Chapter VII and Annex A, it may be noted here that new voluntary groups often spring up with a variety of motivations, some admirable and some self-serving, to take advantage of public interest in responding to specific disasters. This poses many problems for those who wish to see American largesse employed in the most effective way possible in such dire circumstances.

Government-Voluntary Agency Cooperation

A wide range of important new developments have occurred in recent months to indicate a growing interrelationship of government and voluntary agencies in response to foreign disasters. These include the U.S. Government's significant support to voluntary agency activities in Bangladesh, the establishment of a new A.I.D. Foreign Disaster Coordination Center to provide a quick and coordinated response to disaster situations, and the holding of two conferences, in November, 1972, and October, 1973, for voluntary agencies and A.I.D. representatives on disaster relief coordination.

A recurring theme at both these conferences was the need for greater coordination, since rapidity of response and avoidance of duplication are critical to effective disaster service. This problem of coordination has become increasingly complex and requires planning of a sophisticated nature. Both conferences (one in Belmont, Maryland, and the other in Columbia, Maryland) proved useful to Government and voluntary agencies and may signal a new beginning for collaborative sharing of concerns and problems. The Advisory Committee urges the continuation of such conferences on a regular basis, with the suggestion that, when feasible, relevant United Nations agencies also be asked to participate.

The Committee reiterates its earlier recommendation that a Task Force on Refugee and Disaster Services be established to help overcome these problems of coordination, which exist in the wake of natural disasters no less than in that of political upheavals and the wholesale movement of peoples.

It is the role of the American Ambassador to determine that a disaster is of a magnitude or type to warrant U.S. Government assistance and to recommend what forms of assistance should be provided. It is the responsibility of A.I.D.'s Office of the Foreign Disaster Relief Coordinator (FDRC) to mobilize and orchestrate the U.S. Government's response, and to coordinate these efforts with those of U.S.

voluntary agencies, the Red Cross, the private sector, and the international community.

In most instances, the FDRC is involved in disaster assistance only during the emergency and the transitional period between that and longer-term rehabilitation and reconstruction. Responsibility for support of longer-term reconstruction projects is that of A.I.D. regional bureaus and country desks.

A.I.D. has for many years made funds available to voluntary agencies to cover the transportation costs of their priority disaster relief supplies. An extension of this was the cash grants made to voluntary agencies during the Bangladesh operation, which extended over a longer period than is the case with most emergencies. In this case, the U.S. Government recognized the important role that U.S. voluntary agencies could play in the rehabilitation of many thousands of villages. When presented with proposals from agencies for dollar contributions to continue the implementation of specific projects directed toward housing construction, health improvement, education and agricultural recovery, A.I.D. provided more than \$20 million in grants to a number of U.S. voluntary agencies.

Depending on the magnitude and type of future disasters, it is possible that similar cash grants will be made providing the proposed project meets criteria which indicate that the project is worthwhile and can be accomplished under prevailing conditions, that it has the support of the host country, and that the agency has the capacity, experience, and commitment to undertake it.

The FDRC maintains liaison with the major American voluntary agencies actively engaged in responding to foreign disasters. The Advisory Committee is assured that efforts will be made to strengthen cooperation between the U.S. Government and voluntary agencies by A.I.D.'s sponsorship of periodic conferences and meetings such as the ones just described. The Advisory Committee believes such meetings provide a valuable forum for the exchange of information and ideas to improve coordination of

disaster efforts, and can help agencies utilize public and private resources for disaster assistance more effectively.

The FDRC has recently established a Disaster Coordination Center and Information Exchange. This center is equipped to provide an improved capability for exchange of information by means of a modern, sophisticated communications system. It is anticipated that voluntary agencies will avail themselves of this information network and will receive from this center, and feed back to it, information relevant to a particular disaster. In addition, the Coordinator has established disaster relief depots in Panama, Guam, and Leghorn, Italy, to reduce the delays in responding to disasters. Arrangements are being made to establish a fourth depot to serve the South Asian region. Supplies of commodities and equipment to meet emergency needs are stockpiled in these depots.

For three years the Coordinator's office has conducted international disaster preparedness seminars in which disaster operations coordinators of other countries are provided with opportunities to develop and to analyze national disaster preparedness plans. Solutions to common disaster problems and relevant scientific and technical data are reviewed in these seminars, which perform an important service. The FDRC is also engaged in a program of technical assistance to disaster-prone countries requesting help with preparedness planning.

Coordination with International Agencies

In March, 1972, the office of the UN Foreign Disaster Relief Coordinator (UNDRRC) was established with headquarters in Geneva, Switzerland, to develop coordination in disaster relief without hindering or duplicating the work of other organizations. Even before it became operational, a Presidential statement to Congress reported:

We have encouraged the United Nations to meet this need. Last year the General Assembly voted to create a coordinator for disaster relief. He will have a small staff—rapidly expandable in emergencies—to undertake his vital task. I applaud this develop-

ment . . . Even before it accepted the new role of coordinating disaster relief, the UN last year showed its ability to mount a very impressive large-scale relief effort to assist the refugees and to avert famine during the crisis in South Asia.

Prior to this, the United Nations had become involved in coordinating multilateral humanitarian relief following civil strife in East Pakistan (later Bangladesh) and in Bangladesh subsequent to the India/Pakistan war.

The UN was an acceptable medium first to the Government of Pakistan and later to the Government of Bangladesh for seeking and coordinating outside aid for the victims of this conflict. Although this operation was slow in getting started, the UN has since demonstrated its capability to obtain and coordinate the distribution of massive quantities of food and large grants of money from governments and to provide vehicles, aircraft, ships, boats, equipment, personnel, and supplies needed to move food and other relief goods to areas of need.

The problem of coordination is not a simple one, particularly when it involves a great variety of donors. It is also often a sensitive one, as has been well stated in deliberations of the UN Economic and Social Council:

When disaster strikes, the emphasis is on rapid action . . . coordination could become either the expeditor or the bottleneck. . . . Any routine that might impede should be avoided . . . [But] most donors, whether governments, international or national organizations, private firms, or individuals, desire to maintain the individual identity of their contribution, and . . . it would be unfortunate if efforts to coordinate or integrate would lead to reduction or drying up of voluntary assistance . . .

Nevertheless it remains true that at least some of the confusion, overlaps, delays, cases of donations unsuited to local conditions, which are familiar to anyone who has worked in disaster relief and reconstruction, could be avoided, or at least reduced, by coordination.

The United Nations will undoubtedly play an important role in most major disasters in the future, especially those resulting from civil strife and war. It is not yet constituted to move quickly in the first days following a disaster, although in cases it has done so and hopes to improve its capacity in this regard. Furthermore, it plans to phase out of a relief effort when the program moves from emergency assistance to rehabilitation and reconstruction. Hence bilateral aid from governments and the help of voluntary agencies will continue to be of critical importance.

The policy of the United Nations Disaster Relief Office is to encourage the creation of a coordinating group at the national level in each disaster-prone country. This will bring together the national disaster relief coordinator and representatives of various government departments, the National Red Cross or Red Crescent Society, the Resident Representative, representatives in the country of international agencies such as the World Health Organization (WHO), the Food and Agricultural Organization (FAO) and World Food Program (WFP), UNICEF, and others.

The role of this group would be to promote national preparedness measures, to plan joint relief action in advance of a disaster, to agree on the types and quantities of external aid needed when a disaster strikes, and to coordinate reception and distribution. The headquarters in Geneva will be a clearinghouse and requests for assistance will be received there and transmitted to appropriate donors. Information on relief assistance being provided by bilateral, international, or private sources will be centralized in this clearinghouse to ensure that all external relief assistance meets actual needs with a minimum of duplication.

In addition to the UN and its agencies, two other international organizations are an integral part of the response system. The League of Red Cross Societies (LICROSS), headquartered in Geneva, and the International Committee of the Red Cross (ICRC) have for many years played distinguished roles in disaster serv-

ice, often in active association with American voluntary agencies.

The International Committee of the Red Cross often provides aid or direction to humanitarian assistance programs which occur as a result of civil strife or wars. The League of Red Cross Societies is the information and coordinating center for all international Red Cross assistance in time of disaster. About 116 countries have a Red Cross or its equivalent organization, some more able to respond to a disaster than others. When a disaster strikes, LICROSS usually sends a representative to the area to do an immediate on-site assessment of the disaster and to advise Geneva of the most urgent needs. Upon the request of the disaster-stricken country, the League issues an international appeal to sister societies for funds, supplies, and equipment to help meet the needs of disaster victims.

Disaster Preparedness and Planning

Both government and voluntary agencies involved in disaster service are increasingly concerned with the long-term implications of their roles and with the careful planning necessary for quick and efficient response. Crash programs, initiated in the emotional first days after a disaster strikes, are often counter-productive, leading not only to appalling waste but a blot on the humanitarian impulse behind American largesse in such critical times. Such unsolicited shipments simply add to the strain on already overloaded facilities, and interfere with the prompt arrival of vitally needed supplies on which human lives depend.

Within the United Nations family, the UNDRC is encouraging the development of needed coordinated mechanisms for disaster relief at national levels and will promote the advanced training of personnel and other measures for disaster preparedness. A review of disaster preparedness measures is to be undertaken beginning in countries most susceptible to recurrent disasters, and the UNDRC will explore ways of strengthening and developing national contingency plans. At the close of 1972, the unspent funds avail-

able to the UN Secretary General for emergency assistance became available in turn to governments requesting it in the elaboration of national preparations to meet natural disasters.

Within A.I.D., the FDRC will continue and expand its efforts to provide or promote analysis and study of disasters, stockpiling of relief supplies, scientific and technical research in rescue equipment and techniques, warning systems, emergency housing, and other related matters. The FDRC office is working on guidelines for the development of national disaster organizations and plans, and will work with U.S. voluntary agencies and the foreign disaster international community on preparedness and planning measures through meetings, seminars, information exchange, and technical assistance activities.

The Advisory Committee hopes that the FDRC will support the U.N.'s information clearinghouse operation, as well as work to improve the exchange of information and coordination with U.S. voluntary agencies, the Organization of American States (OAS), the International Committee of the Red Cross, and the League of Red Cross Societies.

The economics of voluntary agencies, based on low overhead and the expectation that contributions are used for direct services to disadvantaged peoples, tends to limit funds available for specialized training. Many overseas representatives of voluntary agencies, however, do receive the kinds of general and agency-related training that are particularly relevant to disaster service. Nevertheless, specialized disaster training is an important prerequisite to the expansion of voluntary agency capability in meeting disasters, and ways should be found to meet this burgeoning need—both for American and foreign national personnel who may be engaged in disaster relief work. Disaster preparedness training is currently conducted by the FDRC, the Pan American Health Organization, the Organization of American States, and LICROSS. The United Nations, through its Disaster Relief Office, anticipates becoming more involved in disaster training. Such efforts are to be commended.

The continuing need for more extensive specialized training in disaster relief planning and service is but a part, albeit a central part, of the need to strengthen coordination of services in foreign disasters. The Advisory Committee recommends three steps toward this end: (1) Interagency conferences should be continued on a regular basis with representation from relevant UN agencies. (2) Funds and facilities for specialized training in rapid disaster response and management should be made available to qualified personnel from voluntary as well as Government agencies. (3) A policy and system for interagency coordination and for sharing of material and other resources between Government and voluntary agencies should be developed for use when rapid response to a foreign disaster is required.

With regard to the last of these recommendations, A.I.D.'s Office of the General Counsel is being asked to consider the legal ramifications of voluntary agency use of A.I.D.'s disaster reserve depots. The Advisory Committee hopes that any legal problems which may exist can be resolved and urges that consideration for joint utilization of U.S. overseas disaster stockpiles be included in the agenda for the next interagency conference, as proposed. The Advisory Committee also urges that, to the extent feasible, consideration be given to cooperative warehousing of relief supplies in disaster-prone areas by voluntary agencies, the Red Cross, and other organizations active in disaster service.

Trends in Disaster Relief

The traditional voluntary agency response to human need abroad has focussed on situations calling for immediate, direct, and local assistance. Particular success has been achieved in disaster situations in which all the special assets of voluntary agencies are able to contribute to the response—the speed with which the agencies can respond; the flexibility that can be demonstrated in programming and field operations; the truly humanitarian motivation behind

their efforts, undiminished by national interests or parochial concerns; and the empathy their field personnel feel toward the victims of disaster.

This response has often been merely ameliorative—involving immediate relief and short-term rehabilitative efforts. This is largely due to the fact that most voluntary agencies have not been equipped to engage in long-run, complicated development operations, nor have they considered it their job to do so.

Yet many voluntary agency programs, initially classified as relief and rehabilitation, are carried on long after the disaster situation has ceased to exist, especially in areas where the agency has been involved for many years and where its knowledge of local conditions is unquestioned.

Increasingly today, many voluntary agencies do not make the distinctions between relief, rehabilitation, and development which others do, notably official programs. Instead, they are beginning to view their immediate response to a disaster and subsequent rehabilitative activities as initial steps in long-range developmental programs to overcome the widespread ravages to which peoples are subjected in disaster situations.

The Advisory Committee approves this new long-range approach to disaster aid and believes, as do an increasing number of voluntary agencies, that "disaster relief" and "development assistance" should not be compartmentalized. Disasters provide unique opportunities, despite the chaos and terrible human suffering, to alleviate more than just the most immediate problems; they offer an opportunity to undertake programs which, more than just restoring the past, help local peoples build for the future.

To respond to disasters in this way may require new sources of funding, materiel, and personnel. Certainly close collaboration with other donor agencies, qualified indigenous groups, and especially host-country governments will be necessary. But, given what is currently known about the fundamental needs in disaster situations (which go far beyond clothing, medical supplies, and temporary shelter), about the

enhanced indigenous capacity to effect basic reforms when the incentive and opportunities are at hand, and about the expanding possibilities for long-term collaboration with the governments of the developing countries, the trend must be encouraged.

VI

DEVELOPMENT ASSISTANCE**A New Approach in Voluntary Foreign Aid**

Perhaps the most significant change that has taken place in the operations of U.S. voluntary agencies in the past five or six years is a new emphasis on development, in contrast with activities generally labeled as "relief and rehabilitation."

This "new look" in the posture and field operations of many voluntary agencies accepts as a fundamental postulate of foreign aid that the peoples of the developing countries must be fully involved in the initiation, planning, and implementation of all development projects. Accordingly, the processes of development are seen to demand that whatever is done, is done "with" (not "for") the peoples of the developing countries, and that it be in complete accord with their self-determined needs, desires, and capacities.

Among the first to appreciate the inherent problems of U.S. foreign aid were the personnel of voluntary agencies, working among the people at the community level overseas. They recognized the need for a new approach on the part of large-scale donors no less than in the more locally-focussed activities of voluntary agencies.

This "new approach" is gradually being accepted and implemented by many of the more far-sighted agencies. It involves activities of a long-range (rather than short-term, ameliorative) nature, and encourages the development of an indigenous capacity to deal with local problems and thus limit reliance upon external donors. It also fosters the active participation of local populations in defining what constitutes development and in the design and implementation of development projects. Finally, it focuses on activities which clearly and directly benefit people among lower-income groups.

In brief, an increasing number of voluntary agencies are now focussing on activities which create an

institutional or human resource capacity in developing countries so that they themselves become capable of performing the tasks of development, resolving their own problems in their own way without the need to resort to external donors.

The Advisory Committee fully supports and commends those agencies pursuing this approach, and hopes that more agencies will do so in the years ahead. It is hoped that the American Council will focus greater attention on these agencies, many of which are relatively new to Council membership, for they have a vital contribution to make to the profession of voluntary service.

The Response of Voluntary Agencies

Voluntary agencies reflect the pluralism of American society. While their motivations, the concerns of their constituencies, their resources and operations, their reliance upon government subventions, and the capacities and interests of their personnel differ widely, the very variety of the humanitarian appeal contributes to the strength of voluntarism in America as well as the effectiveness of voluntary agencies overseas.

This diversity has become even more pronounced in recent years in response to changing conditions overseas and to the perceptions of voluntary agency personnel as to what constitutes development and how it can best be achieved. An even greater variety of voluntary agencies and consortia arrangements among existing agencies has emerged from efforts to respond more effectively to the needs in developing countries as they are now perceived to be.

The new agencies are of two principal types. One group acts in a consultative relationship to other voluntary agencies in developing an external response to a developmental problem articulated at the local level and in providing the technical assistance required to encourage a local solution. The second category includes agencies directly associated with indigenous counterpart groups or other donor agencies in providing development services. By combining

resources through consortia arrangements, each agency is able to make its own particular contribution to multi-faceted development operations requiring a medley of technical resources beyond the existing capability of any single agency. Such arrangements are particularly appropriate and needed in integrated rural development programs.

All of these agencies assume that development is a multi-faceted process involving the social, political, economic, and cultural factors affecting conditions in any given locality. They also accept the fact that in most of the developing countries times have changed significantly. Less needed are large infrastructural projects and capital transfers in order to set the stage wherein development can, somehow, "take off." Rather, they recognize that very specific technical inputs are now required at the lower levels of the society, and, to a lesser degree, in central government ministries; that indigenous local and intermediary institutions must be strengthened to assure that development takes place throughout the society rather than only in more advanced urban environments; and that assistance projects be self-liquidating or be initiated only when there is a clear intention to develop some viable, indigenous institution to which total responsibility for the project can be transferred at the earliest possible time.

Legislative Support for a New Approach

An early legislative precedent to this approach was Title IX of the Foreign Assistance Act. This amendment, added by the Congress in 1966 (and expanded in 1967), called upon A.I.D. to assure the maximum participation among the people of developing countries in the tasks of economic development through the encouragement of democratic private and local governmental institutions.

This legislation did not set aside a specific sum of money to be expended on projects with these objectives. Rather, it articulated the intent of the Congress toward the U.S. foreign aid program as a whole. Thereafter, all of A.I.D.'s development assistance

activities were to be infused with the precepts of Title IX, which specifically directed that all programs be carried out in accordance with the needs, desires, and capacities of the peoples of the developing countries and not in accordance with the prescriptions of outsiders and their own views of what constitutes development.

Title IX also provided that instead of large-scale infrastructural projects and transfers of capital to central governments in aid-recipient countries, government assistance agencies make certain that U.S. aid reaches people at the local level. Lastly, macroeconomic criteria were eliminated as accurate indices of development, and A.I.D. was asked to formulate new criteria for future use in reporting to the Congress on the effectiveness of the foreign aid program.

Gradually this participatory approach to development has gained widespread currency and acceptance, both in this country and abroad. A recent example of Title IX's influence was a policy determination by A.I.D. indicating that employment and income distribution were of considerably greater significance in showing the extent of development and adherence to the principles of social justice and equity in aid-recipient countries than were figures showing a rise in Gross National Product. The United Nations and the World Bank have also called for measures to assure greater participation of the people in all aspects of the development process in aid-recipient countries, which is in line with the precepts of Title IX.

Further official encouragement of this approach is evident in the Foreign Assistance Act of 1973. As explained in the report of the House Foreign Affairs Committee, the new legislation directs that U.S. bilateral support for development "should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries," and that U.S. cooperation in development "should be carried out to the maximum extent possible through the private sector, particularly those institutions which already have ties in the

developing areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies.”

Collaboration between A.I.D. and the Voluntary Agencies

There are those who sense among the public a notable lack of enthusiasm for development projects in contrast with positive response to disasters. Few can refuse an appeal to help the victims of a devastating drought, flood, or earthquake. But it is all too easy to say “let them do it themselves” when appeals are made to assist others in improving the quality of their lives and solving the problems of social inequality, political disfranchisement, economic and cultural deprivation, and bigotry.

This will require a major effort to educate those who contribute to U.S. voluntary agencies about development responsibilities overseas. The Advisory Committee firmly believes that an educated public will be a generous public, and that constituency education must be undertaken as an integral part of the fund-raising process of all voluntary agencies.

In Government agencies, the other potential current source of funds, an expanded role for voluntary agencies in development programs is sometimes questioned. The major problem, about which Government officials are particularly vocal, is the failure of some voluntary agencies to evaluate thoroughly enough the development activities they undertake. In the opinion of the Advisory Committee, both public and private agencies should engage in constructive self-appraisal as a means to increase their future effectiveness. Knowing why some projects are successful and others less so is essential in either case.

Proportionately few voluntary agencies are now engaged solely in development work. Those that are tend to be small and to be oriented toward the adaptation of American technology to situations in developing countries. Projects include community organization, rural productivity, and the production of high protein foodstuffs, private enterprise development, and the building of local institutional capacity to provide small farmer credit, to strengthen leagues

of cooperatives, and to train indigenous peoples in organizational, managerial, and technical skills.

Many agencies now consciously seek to give proportionately more attention to development activities in contrast to those involving strictly relief and rehabilitation. This is not to deny the importance of feeding programs, disaster relief activities, and refugee services; these, undoubtedly, will rightfully continue to occupy the attention of U.S. and other donor-nation voluntary agencies for some time to come. But the trend toward development activities does herald a significant turning-point for voluntary agencies, for which many are not fully prepared. Some lack the necessary commitment of their constituencies; in other cases, personnel is insufficiently trained in such areas; and the type and magnitude of financial resources to embark on development programs have not been forthcoming.

Despite these deterrents, many voluntary agencies are already beginning to move in at least two directions which could give a developmental thrust to their programs. In the first place, many are taking a longer view than has hitherto been the case as they approach each project activity. As just one case in point, several agencies are taking the position that the most effective response to a disaster situation is to view it as an opportunity to prepare long-term development programs which do not simply restore the *status quo ante*, but improve upon the former order in the interests of social justice and universal standards of equity. The Advisory Committee sincerely hopes that this trend on the part of some agencies engaged in disaster relief activities will continue and become increasingly sophisticated and widespread.

Secondly, some voluntary agencies are seeking ways to intermesh contemplated activities with national development plans of the host country. Often voluntary agencies are more acceptable in host countries than are government agencies. The former are considered less self-serving; the latter, however unjustifiably, generate suspicions as to motives and intent.

Voluntary agencies can capitalize on greater acceptability, and manage to work at a level of society to which official agencies are frequently denied access. The opportunities this acceptability gives voluntary agencies also should enable them, even more easily than governmental agencies, to develop plans in cooperation with host government officials responsive to locally-determined needs and clearly-expressed local wishes.

Provided that official funds given to voluntary agencies are not so "tied" to official objectives that voluntary agencies are made to appear as mere tools or appendages of the U.S. Government, voluntary agencies may find themselves in a position to act far more effectively than A.I.D. in doing developmental work conforming to the intent of the new foreign aid legislation and to currently-accepted notions of what development is all about.

The Need for Evaluation

The fact remains that some voluntary agencies that wish to become more involved in development work cannot do so for financial reasons. Others, which could perform such activities, have not been encouraged to attempt them. A basic reason for this is that the donors from whom funds are received are not adequately acquainted with the true potential of voluntary agencies for undertaking such work, and are, therefore, reluctant to commit money for this purpose. To acquaint both the public and government officials with the professional competence of voluntary agencies in development work presupposes a built-in evaluative mechanism in all development projects which could remain in operation throughout the duration of a project.

Evaluation is necessarily difficult in the field of development. The variables are many and the weight to be assigned each factor is difficult to determine. Persons capable of conducting evaluative studies are few in number and their services often expensive. Evaluations are frequently viewed as a

threat by uninformed field personnel, who may be unwilling to cooperate with the evaluators.

Yet until such evaluations are conducted, voluntary agencies will be hard-pressed to demonstrate their professional competence in the various areas of development work. This will undoubtedly affect their access to the most suitable type of financial resources available to them to perform overseas development activities without undermining their voluntary character. These special resources are highly permissive government subventions and grants which require a minimum of red-tape to obtain and a minimum of accountability for their use.

The Program Initiation Fund recommended in Chapter I, if accepted and implemented by A.I.D., will go far toward achieving this admirable objective in development assistance, no less than in programs falling under the rubric of food aid, disaster relief, and refugee services. In addition, however, there is need for A.I.D. to reconsider the procedures and rationale affecting the awarding of grants and contracts, and the disbursement of public monies for operationally-relevant research in development areas of interest to voluntary agencies.

Research Needs

In order to perform the more complicated tasks of development assistance, and to program their limited resources effectively, it is necessary that voluntary agencies be able to undertake appropriate field research of operational import to them and to the entire voluntary agency community.

However, infrequently, if ever, have they been encouraged to do so by A.I.D., and there has been little incentive to do so on their own, owing to limitations of funds and qualified personnel. But if a partnership between Government and voluntary agencies is to prove valuable over the long-run, one area in which each can help the other is in collaborative efforts in field research and project design.

Support for voluntary agency research in connection with longer-range development projects and tech-

nical assistance ventures is an important, but thus-far neglected, component of Government-voluntary agency cooperation. A.I.D.'s policy guidelines on research properly state:

The problems of development are changing and many are becoming more acute. In some cases basic knowledge is inadequate, in some technology is inappropriate, and in some institutional and policy frameworks are outdated. These circumstances call for increasing A.I.D. focus on innovation and research. The twin aim should be to help less developed countries find better answers to their most important development problems while helping them to hasten the development of their own capabilities and to find such answers.

The principal research arm of A.I.D. has been the university sector. Yet existing Agency mechanisms for awarding research contracts do not preclude the participation of voluntary agencies. The Advisory Committee believes that voluntary agencies, with their particular understanding of local conditions in many of the developing countries, and with the expertise they have developed in the area of delivery systems involving the utilization of new knowledge by underprivileged peoples, have a potential role to play in research that neither they nor A.I.D. have fully explored.

Voluntary agencies may be uniquely qualified to undertake investigations on their own, or as subcontractors to prime A.I.D. researchers. The Advisory Committee believes that both possibilities should be considered. Problems also exist in translating the findings of some technical and academic research into the matrix of field operations. This is particularly acute in areas of interest to voluntary agencies. Yet if voluntary agencies were given a greater role in A.I.D.-sponsored research undertakings, this problem could be diminished.

Much of the research produced by universities under A.I.D. sponsorship has not been, and in many cases cannot be, effectively utilized by voluntary

agencies working at the local or community level. A.I.D.'s Technical Assistance Bureau, however, is now attempting to disseminate to voluntary agency personnel the results of some of the more relevant research it supports through A.I.D.-sponsored training courses and workshops. It also has plans to publish an A.I.D. Research Abstract Quarterly, which will be available to voluntary agencies.

There is no question, however, that there are many lessons which have been learned by A.I.D. and its predecessor agencies—as well as other agencies operating in the field of foreign assistance—which have never been set down in useful and readable case-study form and then systematically distributed among the voluntary agency community. What little exists is often too “academic” for ready transferability to the field technician’s particular operating circumstance. And what is of immediate use lies in the bottom desk drawer or filing cabinet of well-meaning and knowledgeable Government and voluntary agency officials who have no means available to disseminate it.

What exists in the way of research and analysis and yet remains unavailable to many who could use it is one problem to which some further attention should be given. Another difficulty is that too little is systematically developed in a sophisticated way for operational use in the field. One aspect of the problem is reflected in a National Science Foundation report which suggests that:

. . . Mobilization of social science for solutions to social problems customarily has been ineffective because the problems themselves do not fall solely within the traditional areas of a given social science . . . Research conducted separately by members of one or another social science rarely provides the necessary broad insights into the nature and resolution of a major social problem.

Another aspect of this problem is the gap in the application of knowledge to development in the social sciences and in the interweaving of purely technical

considerations with social, political, cultural, and economic factors which impinge on the use of new technologies.

To perform more effective research into the multifaceted and interrelated nature of social problems, the NSF report calls for "the establishment of a new kind of institute with the clearly defined purpose of conducting applied social science research on problems of public significance. It proposes:

the formation of special social problem research institutes where social problems will be analyzed by teams of specialists . . . Engineers and other professionals must join with social scientists in these efforts . . . Each institute must establish close relationships with the agencies or organizations faced with the problem . . .

Although the Advisory Committee is not prepared to offer a specific recommendation along these lines to serve voluntary agencies in development service overseas, it does believe that something akin to what the NSF proposes could, if implemented, be highly useful to the future needs of voluntary agencies. The notion of organizing an independent multi-disciplinary facility or group to focus specifically on micro or local development problems of particular interest to voluntary agencies would admittedly be difficult to establish and fund. But the notion deserves serious study even if cautiously approached.

Yet even if it proves desirable for a central source of research to be established for the use of voluntary agencies, at least two preconditions would have to be met. First, a determination would have to be clearly expressed on the part of voluntary agencies to employ its services and cooperate with it in its various analytical and evaluative undertakings. Second, Government or foundation support would probably need to be assured.

The current economic condition and program priorities of voluntary agencies unfortunately inhibit investment in research, although some agencies are trying to conduct investigations within their modest

financial and professional limitations. Much of this, however, is *ad hoc*, short-range, and project-oriented. Long-term assistance to the development of non-technical societies will require a broadly focussed, prestigious, and well-endowed research resource which clearly addresses the operational needs of the voluntary sector.

Grants, Contracts, and Loans

No less important is the need to clarify and simplify the rationale and mechanics of the grant and contracts system in A.I.D.

The adjustment of the grants and contracts system in A.I.D. to the nature and particular concerns of voluntary agencies which wish to become involved in development projects has been slow to materialize. Many agency proposals have met with discouragement on technical grounds or have not been followed up by the agencies owing to over-elaborate paperwork requirements.

One of the problems agencies face is the large number of people and offices they must visit in order to resolve technical problems and obtain clearances. Other concerns are the lack of a clear formula for negotiating contracts and grants, the number of unnecessary forms to complete and assurances to make, the constraints contained in the standardized section of contracts, and the unduly low overhead permitted voluntary agencies in contrast with universities and commercial organizations.

Current efforts in A.I.D. to develop an improved climate for nurturing voluntary agency grants and contracts are commended, and it is hoped that similar steps will soon be taken by UN Specialized Agencies and UNDP. But these efforts must now be institutionalized rather than dealt with merely on a case-by-case basis.

As of November 30, 1972, 206 contracts and 58 grants issued by A.I.D. to private and voluntary organizations were in effect. Although the cumulative values of these grants and contracts are not comparable, and several are "open" or are payable in

local currencies, they had a roughly-estimated, cumulative (not merely current or annual) value in the neighborhood of \$255 million.

Substantively, these grants and contracts have been applied in a variety of development fields: family planning, agriculture, education, health, industrial development administration, community development, and several multi-sectoral fields.

Of the 116 organizations carrying out these 264 grants and contracts, only a modest percentage can be classified as "voluntary agencies." Only about 20 of the 116 are registered with the Advisory Committee. These registered agencies account for 34 of the contracts and 20 of the grants mentioned, and the total cumulative value of them was estimated at \$33,644,000—approximately 13 percent of the estimated total of all grants and contracts.

These statistics indicate that a substantial amount of development assistance is proceeding through the instruments of Government-funded grants and contracts with non-governmental organizations. It may be assumed that this method of providing development assistance will increase as direct Government programs are reduced. This may have a substantial effect on the voluntary sector and presents a significant challenge to voluntary agencies in program design and innovation.

In many respects, the heart of the challenge lies in the application process—the mutual exploration and encouragement of proposals, the methods and requirements for proposal development, and the procedures and "leg work" involved in negotiations. It also involves encouraging A.I.D.'s regional bureaus to utilize grants to support the work of voluntary agencies rather than relying primarily on contracts to do so.

It is important to note that grants are applied and issued for quite different purposes. Grants to voluntary agencies for developmental purposes are relatively new to A.I.D. Contracts, on the other hand, have a longer history, and the system by which contracts are awarded, though complex, is more clearly

defined. Contracts are used for the express purpose of procuring goods and services for specific A.I.D. purposes and programs, and their use is regulated by Federal and A.I.D. Procurement Regulations. A.I.D. therefore retains a substantial degree of operational control over their use.

A.I.D. grants, on the other hand, are used for the more general support of development and assistance activities of independent organizations or for developing an independent capacity of the grantee to improve conditions in developing countries. Hence, grants call for a diminished level of A.I.D. managerial control and permit more innovative programming on the part of the grantee. Indeed, the whole notion behind grants is clearly expressed in a policy determination by A.I.D. in June, 1973, when the Agency noted that a principal purpose of grants was to develop the independent capacity, integrity, and quality of the grantee.

If grant funds were to be made more easily available to voluntary agencies, it would undoubtedly offer an enlarged prospect for voluntary agency partnership with government by providing them with a type of resource that is particularly well-suited to their needs and the independent inclinations of their constituencies. Voluntarism implies independence from excessive government control or influence. Grants to experienced, professionally qualified, and clearly interested agencies are thus one of the best means by which government can support voluntarism without inadvertently suffocating it.

Loans are another form of funding which should not be neglected and which certain voluntary agencies could use to advantage in specific types of programs. Their use is seriously restricted by the obvious need for a guarantor of the loan, particularly when public monies are involved. Yet, theoretically, loans could be made by A.I.D. directly to voluntary agencies for disbursement to reliable indigenous organizations overseas, or to indigenous credit systems, for instance, to which U.S. voluntary agencies are providing technical advisory services, or in areas where they

are helping to expand the opportunities for the use of low-cost funds by the rural poor.

The Advisory Committee recognizes the potential developmental import of using loan funds in connection with certain voluntary agency activities. It, therefore, recommends that these programming possibilities be explored in mutual consultations between A.I.D. and interested voluntary agencies, and that efforts be made to overcome the financial and administrative hurdles to the use of such funds by U.S. voluntary agencies.

Accountability and Evaluation

The accountability requirements concerning grants and contracts, particularly as they may relate to voluntary agencies, are in a stage of evolution. This is especially true of the new mechanism of grants. But if voluntary agencies are to perform an enlarged role in overseas development, the existing regulations governing both grants and contracts deserve extensive reconsideration with a view to their further adaptation to the nature of voluntary agencies and the special constraints under which they operate.

This should involve a simplification of procedures and clarification of the steps an agency should be required to take in both applying for and accounting for the use of grant and contract funds. Consideration should also be given to establishing a central office through which voluntary agencies could apply for such grants and to which they would stand accountable.

The Advisory Committee also recommends that A.I.D. prepare procedural manuals or handbooks to inform voluntary agencies in detail concerning: (1.) requirements for preparing, negotiating, and submitting applications for both grants and contracts; (2.) administrative and reporting requirements; (3.) evaluation procedures; and (4.) phase-out or termination principles. The Committee also urges that voluntary agencies be invited to participate in discussions with those preparing the material to assure its relevance to their needs. It would be highly useful if similar

manuals could be developed by various multilateral agencies.

A.I.D. offices responsible for grants and contracts maintain their own data files on contracting agencies and grantees. In many respects, contractors and grantees are subjected to far more elaborate screening and supervision than required for registration with the Advisory Committee. There is a tendency to repeat the screening process for each new contract and grant for which a single agency chooses to apply.

Unnecessary duplication of paperwork appears to be involved, and A.I.D. should endeavor to minimize the repetitive part of the process. Voluntary agencies, for the most part, simply do not have the resources of money, time, and personnel to engage in the costly and complex procedures required by A.I.D. The Advisory Committee urges the U.S. Government to improve procedures so that voluntary agencies can have greater access to these particular Government resources.

Although grants and contracts are among the more important tools for future collaboration in development service, little analysis has been done of these tools as they apply to the voluntary sector. As a first step, more adequate overall reporting of voluntary agency grants and contracts is desirable. Although an annual listing is now issued entitled "A.I.D. Grants and Contracts with Private and Voluntary Organizations," we urge that this be expanded to provide more complete data on the programs for which grants and contracts have been made. It would seem appropriate for the Advisory Committee to review these reports on an annual basis and to advise A.I.D. on future policy regarding their use by voluntary agencies. Eventually, perhaps, these reports could also include the grant and contract arrangements voluntary agencies make with other voluntary agencies, host governments, and international agencies.

VII

FUND RAISING AND PUBLIC ACCOUNTABILITY

Voluntarism in America

The new equation between government and the private sector need not diminish the importance of the "voluntary" nature of the efforts of voluntary agencies. Although, in superficial terms, "voluntary" often seems to connote "amateur", these agencies are, for the most part, highly professional organizations involving people of considerable experience, great managerial and technical competence, and remarkable dedication.

The word "voluntary" refers to the support given to such organizations—support which is provided in a "voluntary" way as a part of our American heritage. Government encouragement and support is important to many of these organizations; to others, such support is neither solicited nor accepted. Indeed, all such organizations are, and must continue to be, vigilant lest either government controls or government largesse suffocate their traditions of selfless service and individual commitment.

On the other hand, over the past 25 years, a noteworthy degree of public generosity has been channelled to the peoples of developing countries through a unique partnership of these private voluntary organizations and their Governments. This partnership must be continued and strengthened.

Yet going back to the early days of this nation, the American people on their own initiative and without Government support have sacrificed in order to help others through their community organizations, service clubs, churches, the Red Cross, and increasingly today through an extraordinary variety of agencies of a voluntary, nonprofit character.

In recent years this outpouring of the individual compassion of Americans for their neighbors in other countries has come to be augmented by the variety of Government subventions, grants, and con-

tracts described in previous chapters. Now, however, as a possible decline in the availability of Government funds and commodities takes place, the tradition of volunteerism in America may have to reassert itself and assume greater responsibility than ever before for the assistance of those in need overseas.

This does not mean that the evolving partnership between Government and private, voluntary agencies is dead, or even dying. Quite the contrary is true. Instead, it means only that voluntary agencies must prepare themselves both financially and programmatically for the challenges of the future while making certain that they preserve a solid base of support among the American public.

As in other aspects of voluntary foreign assistance, the conditions of funding overseas activities are being affected by new attitudes among the public and changes in the approach to overseas service of voluntary agencies. The proliferation of voluntary service agencies in recent decades has increased competition for voluntary donations. The heavier tax burden on Americans owing to the expansion of Government services into areas which were formerly left to private philanthropy is just one of many reasons which may account for a reduction in the commitment of many contributors to public service through private channels. In the words of Alan Pifer of the Carnegie Corporation:

. . . It is possible that public attitudes, not just toward the charitable deduction but toward charity itself, may have undergone a transformation. The time-honored concept of private benevolence for the public good, once widely respected in this country, may command less universal respect today than heretofore. To some Americans, charity has apparently become uncoupled from the notion of *public* benefit and tied to the idea of *private* advantage and privilege To others, it is increasingly seen as anachronistic and even offensive in a society where the concept of citizens' rights to governmentally provided services is constantly expanding.

Changes in philanthropic contributions, particularly as they affect the extent of voluntary activity overseas, have in recent years tended to demonstrate the change in public attitudes. With a Gross National Product (GNP) of approximately \$1.25 trillion, contributions to all U.S. charitable and religious organizations in 1972 amounted to approximately \$21 billion—\$18 billion from individuals and \$3 billion from foundations and corporations. But more significantly, itemized deductions on individual income tax returns show a steady decline in the ratio of contributions to adjusted gross income of 3.73 percent in 1960 to 2.90 percent in 1970. And this decline took place during the most affluent decade in American history.

It is said that, for the first time in history, the technological means exist to abolish poverty and disease and to insure that every child, wherever born, will have a fair chance in life. The time has come for the American people—among the most affluent on earth—to reassert moral leadership and to provide their fair share both as individuals and through their Government, to assure that all the world's children are afforded an unfettered start and the opportunity to realize their full potential.

To meet this objective will require more than just an increase in Government appropriations; it requires a massive increase in private giving—both individual and corporate. It will require a determination to sacrifice for others, not just our own future well-being. More specifically, it will require a significant degree of belt-tightening for most Americans to make available greater resources to charitable organizations, including U.S. voluntary agencies operating overseas. And it will also require greater vision and increased effort on the part of private voluntary agencies to respond to the increased responsibilities they must assume in the years ahead.

For almost 200 years, the American people have been magnificent in adversity, but often slothful in abundance. Now, in a time of increasing adversity, the Advisory Committee hopes they will make the

sacrifices necessary to sustain the moral obligations and humanitarian commitment required to assist those in need throughout the world.

Wishing, of course, will not make it so. The job of interpreting the financial needs in international development assistance to a preoccupied and still partially disinterested American public requires more resourcefulness than ever. This is particularly so as voluntary agencies engage more fully in work of a developmental character, in contrast to disaster relief and other activities having a more visible and immediate effect. Heart-strings are more easily pulled by photographs of the wide-eyed, pot-bellied, rickety-legged child than by descriptions of the complicated processes involved in long-range integrated development programs, whose impact is felt only over a long period of time, and whose results are difficult, if not impossible, to quantify and even (sometimes) substantiate. It is relatively easy to demonstrate that a schoolhouse has been built; it is far more difficult to describe what is happening in the classroom and what effects that may be having on individual students or, through them, the society at large.

It is one thing to relate that a recent survey sponsored by the Overseas Development Council showed that "public support for the idea of giving U.S. assistance to underdeveloped countries is at an historic high of 68 percent." It is quite another to expect that monies will be available to undertake the assistance activities which, purportedly, the public so strongly supports, unless serious attention is given to the education of the American public as regards the need for voluntary (i.e., non-governmental) support of such efforts.

The Advisory Committee, therefore, recommends that collaborative efforts be undertaken among voluntary agencies to reinvigorate private voluntary support of non-governmental overseas assistance activities. Such efforts should give special attention to:

- (1.) clarifying the role and objectives of voluntary agencies in the processes of international development;

(2.) suggesting ways in which the American public can most efficiently and effectively respond to foreign disasters and crises;

(3.) recommending ways to encourage wider support from corporate and other potential large-scale donors; and

(4.) overcoming threats to the tax-deductible nature of contributions from the public to voluntary agencies for foreign assistance.

Tax Problems Affecting Voluntarism

Various legislative changes are under consideration in the Congress which would adversely affect the tax deductible status of contributions to voluntary organizations. Some damage has already been done through the provisions of Section 170(e) of the Tax Reform Act of 1969 which affect tax deductions for contributions of gifts-in-kind or inventory of manufacturers. These limit deductions to the cost value of the donation rather than its fair market price. The effect of this legislation on in-kind contributions to overseas voluntary programs has been severe; contributions of processed foods, pharmaceutical supplies, hospital equipment, clothing, tools, and many other important material components of voluntary agency programs have been reduced by many millions of dollars. A number of agencies report that their in-kind contributions have dropped by well over 50 percent.

Both the Advisory Committee and the American Council have responded to these legislative threats to the traditional tax-deductible nature of contributions to voluntary agencies. The Advisory Committee has called this tax problem to the attention of Administration officials and will continue to press for their support for the tax deductibility of contributions. The American Council also has a special Committee on Tax Legislation to advise the Council and its members on the situation, and make systematic and unified representations to the Congress.

Fund Raising Precepts

Voluntary agency fund-raising in the United States is big business; it is also increasingly competitive. The magnitude of fund-raising places upon those engaged in it a special responsibility to obey generally accepted rules of conduct which, if not self-imposed and followed, may well invite official sanctions.

In view of the variations in types of programs, scope of services, methods of operation, and constituencies of voluntary agencies, these rules are difficult to apply with uniformity. Variations should be allowed each legitimate voluntary enterprise to retain its own special character and mission. Underlying these variations, however, are certain fundamental precepts which must govern the fund-raising process. They are well stated in the regulations of the Advisory Committee which prescribe qualifications for agency registration with the Committee:

The funds and resources of the registrant will be obtained, expended, and distributed in ways which conform to accepted ethical standards, without unreasonable cost for promotion, publicity, fund raising, and administration at home and abroad.

As it touches upon fund-raising, this regulation properly underlines the need for strict adherence to generally accepted ethical standards and the maintenance of reasonable levels of expenditure per contributed dollar. To this may be added a third governing factor, competition, which can be as frustrating to the individual agency as it can contribute to honesty and stimulate initiative. Proper conduct in regard to all three factors is especially incumbent upon the voluntary agency because of the quasi-fiduciary capacity in which it receives and uses funds furnished by contributors.

Ethical Standards

The ethics of fund-raising are accepted as commonplace when they are faithfully observed, and very properly they are the subject of special concern and analysis when they are either clouded or violated. To the great credit of the voluntary agencies in international assistance, abuses of the contributor's trust have been rare and in such instances they have been readily and willingly corrected. A calculated desire to deceive the contributing public is, among voluntary agencies, virtually unheard of.

No good purpose can be served by dilating on specific instances when strict rules of propriety have been breached in an excess of unwarranted zeal. But a few admonitions are, nevertheless, in order. Contributions to a voluntary agency have at least two motivations, to which tax incentives are only a contributory and enabling factor. One is the personal satisfaction which the contributor enjoys from participating in what he understands to be the humanitarian intent or developmental impact of the agency or program. The other is the expectation that his contribution will be used as represented and as he intends.

By accepting the contribution, the agency assumes the role of a trustee, charged with responsibility for fulfilling the ultimate intent of that contribution. No less incumbent upon the agency is the accurate dissemination of information on what it has done with funds entrusted to it, and an honest projection of its future plans and projects. Special care must, therefore, be exercised so that the words and pictures in fund-raising literature do not give inordinate prominence to what may be the most appealing yet not necessarily the predominant concern of the agency or the main thrust of its program. Such presentations may be considered truthful within a narrow context, but they can be callously misleading.

In cases of appeals for funds to respond to major disasters, it is all too easy and tempting to exaggerate descriptions of human misery and property damage.

The solicitating agency also may be tempted to imply that it is the sole, or best, or even the major source of relief.

Avoidance of pressure tactics, "the hard sell", which is sometimes generated by an excess of dedication to the job rather than willful intent to deceive, is extremely important. Gifts of charity are offered; they are not, and should not be, extracted. Rigorous honesty is still the best policy, and the basic principle of voluntarism is that those who contribute to it offer something of themselves freely and without pressure.

Reasonable Costs

The keeping of fund-raising and other administrative costs to a sensible minimum is to the obvious benefit of the voluntary agency. Indeed, in most cases it is a necessary principle of operation. The contributor expects his contribution to be used directly for the relief of human need rather than for fund-raising costs or for administrative luxuries. Moreover, the rule of "reasonable costs" of fund-raising is a measuring stick by which auditors, examiners, analysts, and critics can form their judgments concerning the agency's efficiency and legitimacy. More often than not, this measurement applies to the ratio which funding costs bear to the amounts collected, and to little else.

A prerequisite to fixing "reasonable" percentage ratios is an understanding of what a sound cost basis comprises in terms of accepted accounting practice. A definition of this in a 1967 publication of the American Institute of Certified Public Accountants has been formally adopted by the Advisory Committee and made the basis of reporting instructions submitted to those agencies registered with the Advisory Committee:

The fund-raising function encompasses more than the requesting of donations. Various expenses related to fund solicitation and collection, which should normally also be charged to this function are: costs of transmitting appeals to the public in-

cluding postage, addressing, and maintenance of mailing lists and files; record keeping; the issuance of receipts; the deposit of cash; and the salaries of personnel connected with the campaign. Salaries of personnel connected with fund-raising should include those of regular staff members who devote the major part of their time to the processing of contribution income, whether during the campaign period or not. Fund-raising services and materials received from affiliates should also be charged to this function. The cost of any particular item of printed material purchased in a significant quantity should be charged to social service, administration, or fund-raising on the basis of the primary use to be made of the material, determined from the content, reasons for distribution, and audience to whom it is addressed.

There have been many attempts at establishing workable guidelines for cost limitations on fund-raising. Both legislatures and administrative agencies have addressed the subject, some with suggested percentage formulae or other rules of reasonableness. The usefulness of these formulae is, of course, dependent upon their application on a case-by-case basis.

The State of New York reportedly applies a standard of 50 percent or less, although its Charities Registration Bureau reported not long ago that the average fund-raising costs of 2,435 reporting agencies was 12.5 percent. The Los Angeles Social Service Commission gives its endorsement to solicitations whose costs do not exceed 15 percent. The National Institution of Municipal Law Officers has deemed 25 percent a proper basis for inclusion in a proposed model law on the subject. The Internal Revenue Service, in connection with its determinations on eligibility for tax exempt status as charitable organizations, gives little weight to cost percentages; its concern is the integrity of the agency as a whole.

Quite evidently, there is little uniformity in the approaches to this exercise in ratio and proportion.

As another example, the National Information Bureau, Inc. (NIB), whose analyses of philanthropic enterprises are quite rigorous, has refrained from depending upon percentages or percentage rules in its estimates of cost reasonableness. Too many ingredients and variables impede the fixing of uniform standards which could be applied with fairness and equality in even a majority of cases.

Much depends on the number of years the private agency has been in operation, on the resources available to it from its long-established affiliations, and on the average size of the contributions it receives from the public. Agencies in their early stages often accentuate costly promotion, which is usually necessary to develop supportive constituencies. Church-affiliated agencies have built-in constituencies and auxiliary fund-raising facilities, and thus their costs per contribution are generally quite low. Sometimes an agency which establishes an ambitious campaign goal discovers that the goal is unattainable; consequently, campaign costs prove unduly high in relation to the amount actually collected. Most voluntary agencies in foreign service depend heavily upon what are called "small sums" contributions, and to process these small donations is obviously proportionately more costly than processing a few large contributions.

In 1969 the Advisory Committee studied the problem of providing a measure of uniformity and objectivity for determining the permissible maximum cost percentages in agency fund-raising efforts. On the basis of its studies, the Advisory Committee suggested a percentage figure which, when found to have been reached by a particular agency, would arouse the staff's investigative propensities with a view to corrective action:

When a registered agency's fund-raising costs reach 20 percent of its cash income and the value of publicly contributed gifts in kind, the staff will notify the agency of our concern and seek remedial action. If corrective action is not taken within a reasonable time, the agency will be called in for review by the

Advisory Committee. Registered agencies whose fund-raising costs equal or exceed 30 percent, when this same formula is applied, will be brought to the attention of the Advisory Committee without prior staff action.

It has recently been suggested that the Advisory Committee also develop and apply a yardstick relating to the ratio of total administrative expenses to the total services provided. The Advisory Committee believes this suggestion merits further study.

The Factor of Competition

An intensity of competition in fund-raising among voluntary agencies may be expected. In large part this intensity is attributable to the excess of acknowledged needs over available resources to meet them. As calls for assistance have spread throughout the world, agencies responding to them have been increasing in numbers, size, and variety of activities. Witness, for example, the growing shift from projects of immediate relief to those committed to long-range development and technical assistance, which have broader impact but require higher expenditures.

Competition has been carried on with a commendable absence of unpleasantness among experienced and well-organized agencies. Contributing to this avoidance of inter-agency trespass is the fact that most agencies have their own special constituencies and special program interests and capabilities which, though they may overlap, are seldom in conflict.

There is, however, an aspect of fund-raising competition which can, and sometimes does, create problems. It usually occurs when sudden disaster strikes abroad, inflicting a heavy toll of human misery and property loss, whether created by nature or political conflict. The urge of well-meaning and sympathetic persons to come to the assistance of disaster victims has at times resulted in the hasty creation of committees and corporate organizations for entry into the arena of response. Then, after acquiring IRS tax-exempt status, new quick-response agencies mount

large-scale drives for funds through the mails and the media, sometimes without the opportunity or the knowledge to plan a well-designed program for the use of anticipated contributions based on field conditions.

Even without a sustaining constituency of its own, the new entity can be expected to draw support in some measure from among regular contributors to established agencies experienced in disaster relief activities and capable of a programmed response to them. The degree to which this can adversely affect the fund-raising effort and the assistance program of the latter agencies is admittedly conjectural, though not fanciful.

If honestly conceived and conducted, with proceeds applied as represented, no legal or moral barrier prevents such an enterprise, nor is it here suggested that new initiatives be discouraged. The test for public acceptance and support will lie basically in the competence and integrity of its organizers and operators, coupled with a convincing demonstration of their ability to fulfill the stated objectives of the solicitations. It must be remembered, however, that many such agencies, by their own declaration, are restricted in life expectancy and area of interest to the specific emergency situation. Support of such agencies can therefore affect the regularity of contributions to agencies with greater experience and more enduring potential. To avoid some of these problems, newly-formed or contemplated organizations seeking to respond to a disaster situation may wish to work in cooperation with agencies experienced in carrying on such operations. This can have mutually rewarding results. Indeed, the complex mechanics of responding to disasters more than justify such cooperation.

Situations are bound to recur where clearly unneeded new agencies are formed out of a genuine concern to help others and which attempt to solicit funds from the Government or the public. They require thoughtful and careful handling, to the end that fund-raising be orderly and responsible, in ex-

perienced and responsible hands, and conducted with a minimum of duplication and confusion. There is a pressing need for public education and also for a broader understanding of the problem by Government officials, who may inadvertently become involved in encouraging such new initiatives. Literature, for both public and private use, is needed to explain methods and problems of response to human need in foreign disasters and the responsibilities of organizations receiving contributions for that purpose.

Accountability to the Public and Government

Regardless of such problem areas as described above, the voluntary sector as a whole is necessarily and acutely conscious of its accountability to the contributor. Those agencies which attain tax-exempt status have an additional dimension of accountability, by having to adhere to requirements of the Internal Revenue Service. A third dimension of accountability is found among those agencies whose work is in part supported by the resources of the U.S. Government, to whom they become accountable for the use of such resources. These three levels of accountability—to the voluntary contributor, to the Internal Revenue Service, and to the instruments of Government which are ultimately responsible to the taxpaying public—are closely interlinked, but each level requires adherence to separate sets of rules and standards of accountability.

The agency itself should be its own best watchdog of its accounting, auditing, and reporting system. Various independent sources, such as state offices for the registration of philanthropic agencies and local chambers of commerce, also may check on agency accountability to donors. The National Information Bureau each year analyses a large number of philanthropic organizations against a yardstick of basic standards and advises its members about them. Included among the agencies assessed are those involved in "international relief and rehabilitation." Also, full and active membership in the American Council demands adherence to standards of professional performance and fiscal accountability.

The Registration Function of the Advisory Committee

Perhaps the major function performed by the Advisory Committee is to register all voluntary agencies which choose to avail themselves of three kinds of government subventions—the use of PL 480 commodities, ocean freight reimbursement for relief and development supplies and equipment going abroad, and government-owned excess property. By this process of registration, the Advisory Committee, in effect, “accredits” agencies to the U.S. Government. To maintain this registered status, agencies are required to file annual reports and C.P.A. audits with the Advisory Committee.

According to the 1972 annual report of the Advisory Committee, only 31 of the 90 voluntary agencies it had registered had applied for any of these three benefits or subventions during their most recent fiscal year. Some registered agencies have never done so. This draws attention to the fact that a number of agencies regard registration as serving a different purpose than opening to them the possibility of receiving Government subventions. One of these is the presumed assurance this gives the public that the agency's purposes are in the public interest and that the organization is soundly managed.

This whole process of registration, therefore, provides another check on the performance of those voluntary agencies which have chosen, for one reason or another, to be registered. Yet this group of registered agencies constitutes only a small percentage of the wide spectrum of U.S. voluntary agencies, and does not even include all those agencies doing business with the U.S. Government. As of November 30, 1972, for instance, 116 non-profit, non-governmental organizations had grants or contracts with A.I.D., only a small percentage of which were registered with the Advisory Committee.

The question which has therefore come under continuing discussion by the Advisory Committee and A.I.D.'s Bureau for Population and Humanitarian Assistance is whether, in the interest of both govern-

mental and agency responsibility, all agencies receiving Government subventions, grants, or contracts should be registered in a formal way by an independent body like the Advisory Committee. Also being considered is which basic information about each agency's objectives, organization, performance, resources, fund-raising practices, and type of activities engaged in, should be subject to regular reporting and review.

On March 30, 1973, the Advisory Committee approved a study by the Subcommittee on Accreditation and Registration (see Annex A) which held that the matter of registration is a complicated one with many political pitfalls, if only because of the variety of voluntary agencies and the consequent difficulty of applying uniform standards. Public scrutiny of the way public resources are used is clearly needed, but it is also necessary to safeguard the independence of voluntary agencies from unnecessary Government interference with their operations.

The non-registered non-profit agencies doing business with A.I.D. function in many different categories. Responsible study of such agencies for the purpose of finding suitable avenues of registration for them should be a continuing concern for A.I.D. and the Advisory Committee.

Accordingly, the Advisory Committee recommends that the subject of registration of voluntary agencies be kept under continuous review in the light of the evolving needs, roles, and opportunities of voluntary agencies in the field of foreign assistance. Such a review must take into account: (1) the possible need for different categories of registration and criteria suitable to the different types of service performed by voluntary agencies; (2) the necessity of sufficient staff and consulting services to assist the Advisory Committee in performing its registration function; (3) options regarding the use of specialized panels to make the necessary judgments of basic qualifications for registration and adherence thereto of registered agencies; and (4) necessary changes in the organization of files and data storage and retrieval systems required by

any proposal to expand the Committee's registration function.

“Major” and “Small Sums” Donors

Many of the voluntary agencies engaged in foreign assistance receive most of their basic support from “small sums” donors, and the support of “major” donors on a consistent basis has been relatively limited. Very probably a deeper and broader interpretation of the character and intent of the agencies in terms of major donor interests is needed. With the changing climate of charitable giving and with the reduction of Government resources applicable to voluntary assistance, the times invite it.

The motivational qualities and community focus of voluntary agencies in foreign service provide a micro-approach to human development which is not easily explained to major contributors who are more familiar with large-scale enterprise and investment. To overcome this problem, renewed collaborative efforts should be made to interpret the experience and *modus operandi* of the voluntary agencies to the major sources of charitable contributions—corporations, foundations, and individuals.

One independent resource for interpreting voluntary agency concerns to the donor public is the Advertising Council of America, which has provided so much help to the voluntary sector in transmitting its message to the American public by free “public service advertising” in the major media. It has developed sound criteria for assessing and interpreting voluntary agency purposes and operations in the process; it has applied high technical standards to that job; and the Advisory Committee hopes that the relationship between the Advertising Council and voluntary agencies will deepen and expand.

Perhaps the most sensitive as well as the fastest changing area of voluntary agency accountability to its supporters comes by virtue of its linkage to government. Through contracts and grants and extending of government-owned commodities, supplies, and facilities, the Government has become another major

contributor to voluntary effort overseas. Just among agencies registered with the Advisory Committee in 1973, the total dollar amounts of "registration benefits" in the area of the three statutory subventions together with the amount of grants and contracts extended to registered agencies during the last full calendar year report of each agency were:

U.S. Government Source	Dollar Value	Number of Registered Agencies Participating
P.L. 480 commodities	\$124,475,827	8
Overseas freight	42,927,114	29
Excess property	1,058,084	5
Grants and contracts	36,954,197	35

According to these figures, Government sources are currently accounting for about one-third of the total annual revenue of the 90 registered agencies. Of this one-third of total revenues, more than two-thirds is in the form of PL 480 commodities.

In some cases the increasingly close relationship of certain voluntary agencies with the U.S. Government has become more of a contractual than a partnership relationship, more of a controlling than a stimulative association. This is quite understandable in view of Government responsibility for the expenditure of public monies. This raises a host of particular issues along with one major one, which pervades the whole of this report: Can the "new equation" between Government and private and voluntary agencies be institutionalized and strengthened without endangering the independence, flexibility, initiative, and speed of response of voluntary agencies, and also without undermining the necessary accountability of Government agencies to the Congress and to the American public for the disbursement of public funds?

The ramifications of "government by contract" in recent years has unquestionably involved the voluntary sector—as well as the Government—in facing up to both philosophic and operational questions. It is the hope and expectation of the Advisory Committee that these questions do have answers and that, with forbearance and some conscientious pursuit of the proper formula on the part of both sides of the "equation," the partnership between Government and voluntary agencies can be strengthened and, in the process, the future of voluntarism in America assured.

ANNEX A

**THE REGISTRATION FUNCTION
OF THE
ADVISORY COMMITTEE ON
VOLUNTARY FOREIGN AID**

**A report of the
Subcommittee on Accreditation and Registration**

This report grows out of the desire of A.I.D.'s Bureau for Population and Humanitarian Assistance and its Office of Private and Voluntary Cooperation (PHA/PVC) that the Advisory Committee on Voluntary Foreign Aid explore the advisability of broadening its registration policies and procedures. As originally presented, the aim of the proposal, if found feasible and eventually effectuated, was to bring into the registration process organizations not heretofore within the area of Committee authority, though engaged in activities actually or potentially contributory to the foreign assistance programs and interests of the Government.

In mind in this connection were nonprofit educational institutions, health organizations, research specialists, and groups engaged in agricultural, marketing, construction, public administration, and other activities similarly pertinent to the foreign aid effort.

Limiting itself to this one charge—inquiry into the expansion of registration—this Subcommittee, to whom the matter had been assigned by the full Committee, met on three occasions: September 9, October 20, and December 20 of 1972. The products of those sessions were presented in reports to the Advisory Committee at its meetings of the following September 10 and December 21 in the same year. For want of time at its September 10 meeting, the Committee was unable to consider the Subcommittee draft report then before it.

At the December 21 meeting, the Committee did go into the Subcommittee report (third draft) in some detail. Issues of language and substance arose which rendered obvious the need for further study and a re-examination of the Subcommittee's findings and recommendations, a view which individual members of the subcommittee shared. Upon motion of its chairman, the matter was sent back to the Subcommittee for further action in the light of the views expressed and the suggestions made by the Committee members present.

On February 15, 1973, Dr. Jarold A. Kieffer, A.I.D. Assistant Administrator for Population and Humanitarian Assistance, submitted a memorandum for the use of the Sub-

committee, outlining avenues of inquiry designed for a better appraisal of the registration process and a proper resolution of the issues which had been generated or could be foreseen. At an earlier meeting between Dr. Kieffer and the Subcommittee Chairman, it was agreed that the study should not be limited to the sole question of whether registration should extend to organizations not now within the purview of A.I.D. Regulation 3—Registration of Agencies for Foreign Aid.

Instead, the scope of the review was to be broadened in the manner best stated by quoting from that memorandum:

1. Why registration? What is it? What does it mean to the registered voluntary organizations? To the Government? To the public?
Since Congress did not specify the content of registration, is the information requested from and kept on each agency really meaningful for the purposes that the Committee says registration serves?
2. Given changing conditions affecting the foreign assistance program, and the evolving interests of the private voluntary agencies—
Are the reasons for registration still valid?
What are the trends on the use of subventions?
Reasons?
What is the likelihood of further changes in the availability of the types of subventions currently available?
If the availability of any or all of the subventions is to be sharply down, should registration still be required?
3. Should registration be extended to make it applicable to all private and voluntary groups that apply for or receive A.I.D. assistance, grants, or contracts?
Should the requirement and/or content of registration vary according to the type of (a) private/Government assistance arrangement involved; (b) private and voluntary activity involved; or (c) other?
4. Do contractors and grantees go through the equivalent of registration or do they go through even greater requirements of Government inspection of character, finances, and leadership than do other organizations?
5. What conclusions can be drawn or recommendations made about keeping, modifying, varying, extending and administering registration?

At a meeting in his office on February 16, Dr. Kieffer discussed the purpose of his memorandum with the Subcommittee

chairman and PHA/PVC staff members. He gave assurances and instructions that any assistance needed by the subcommittee in connection with this exercise was to be furnished.

On February 21 the three members of the Subcommittee held a meeting at the offices of the American Council of Voluntary Agencies for Foreign Service in New York City. Invited and in attendance were the principal representatives of registered voluntary agencies generally recognized to be among the leaders in voluntary foreign aid, whether measured by program volume, effectiveness, variety, geographical range, or experience in joint or cooperative effort with other private agencies and with governments.

Through a liaison officer specially assigned to assist the Subcommittee, interviews were subsequently arranged with A.I.D. staff directly associated with the current voluntary agency registration process and with the operations of the registered agencies, as well as those officials whose work relates directly to contracts and grants and to other organizations which conceivably could fit into a changed or expanded registration concept.

The impressions, suggestions, and factual offerings of the voluntary agency representatives and of the interviewed A.I.D. personnel will be reflected at those points in these pages to which they may have useful application.

The Subcommittee has also been furnished publications, office memoranda, and statistical material bearing upon the subject under consideration.

It is recognized that much of what follows will not be new to the Committee. The inclusion of anything which can be called "old hat" is made in the desire to cover all the important issues and questions which have been presented, and to provide support and explanation for the responses which emerge.

The Existing Registration Process

1. *Origins.* Advisory Committee registration of voluntary agencies, now conducted under the provisions of A.I.D. Regulation 3 (Part 203 of Title 22 of Department of State A.I.D. Regulations) originated with the establishment of the Committee pursuant to President Truman's directive of May 14, 1946. However, this development was not without significant precedent.

A year before the entry of the United States into World War II, private organizations soliciting funds from the American public for overseas relief were required to identify themselves to the Department of State. This was consistent with our maintenance of a position of neutrality. With the advent of

war, the President, in March of 1941, named a committee to look into American relief activities in belligerent countries. From this came an executive order dated July 25, 1942, creating the President's War Relief Control Board to guide the agencies in their relationships with government, and to license approved programs of war related relief activities abroad and at home.

Termination of the wartime Board came by executive order earlier on the same day that the Advisory Committee on Voluntary Foreign Aid was established.

This replacement, dictated by the transition from war to peace, of instrumentalities which nurtured government and nongovernment cooperation in the field of overseas relief and other assistance was not a change of substance. There has been no interruption in or fundamental deviation from the Government's motivation in inaugurating and maintaining this effective and mutually beneficial arrangement. Terminology may indeed have changed. We no longer speak of identification or license. The once all-embracing term "relief" has yielded to a recognition of the many features and factures of foreign aid, each with its individual, descriptive name. Yet registration, in its passage through time and events, has endured to this day in the manner and with the purpose which marked its entry into official use.

2. *Nature and purpose.* In the context of A.I.D., the Advisory Committee, and the voluntary agencies, a proper definition of registration encompasses far more than Webster's "entry in a register".

Both the charter of the Advisory Committee and A.I.D. Regulation 3 call for the establishment and maintenance of a "register" of voluntary registrants, section 203.1 of the latter explaining the reason for having a register, and outlining the areas of its usefulness. By no means is it intended to be a bare roster of the agencies named in it. Specifically the motive for it is "To foster the public interest in the field of voluntary foreign aid and the activities . . . of nongovernmental organizations which serve the public interest therein . . .; such register (a) to serve as a repository of information; (b) to enable the Committee to facilitate the programs and projects of the registrants; and (c) to provide information and advice, and perform such other functions as may be necessary in furtherance of the purposes of this section". In addition, and very importantly, the register constitutes the authoritative listing of those organizations entitled to apply for statutorily authorized subventions (ocean transportation reimbursement, donated foods, excess property).

There is nothing perfunctory about registration—in its granting, in its acceptance, in its joint commitment. Proof of this is in the conditions which the applicant must satisfy, and the patterns of conduct which it must follow, in order to warrant the cooperation of the Government. Among these are: (a) primary purpose of furtherance or engagement in voluntary foreign aid; nonprofit status (Internal Revenue Service certification of tax-free contributions); (b) maintenance of books and records of its operations; (c) an uncompensated board of directors, predominately United States citizens; (d) ethical collection of funds and expenditure and distribution of proceeds, without unreasonable promotional or fund raising costs; (e) avoidance of conflict with fund drives of accepted general national interest; (f) annual submission of standardized C.P.A. audits and of reports on programs and finances for official inspection and, as appropriate, for public information; (g) strict compliance with government laws and regulations in the receipt, handling, and distribution of supplies obtained from the Government.

Taken together, these conditions and standards are the root and fruit of a working relationship of proven worth between government and private agency in their mutual, yet independent, dedication to foreign assistance. This relationship is the one sought in the President's 1946 directive: ". . . that provision be made for coordinating relationships with voluntary agencies . . . to tie together the governmental and private programs in the field of foreign relief . . ."

3. Its Significance. While stating the meaning of registration separately to the voluntary agencies, the Government, and the public, this Subcommittee wishes to emphasize its view that it is in the total relationship of all three that registration shows its worth. Accordingly, it is with no intention of splintering the totality and mutuality of contribution and benefit which attaches to all three that this examination of the meaning of registration is attempted.

(a) The Voluntary Agencies. Evidence of what the voluntary agencies themselves see in registration is revealed in their applications for registration, as well as in actual experience as registrants.

Since 1967, when the reasons for applying were first required to be stated, 30 agencies have been registered, and three applications are in the latter stages of processing. Of these 33, some gave one reason; others gave two, three, four, or five. They are:

Eligibility for subventions		23
Ocean transportation	11	
Donated P.L. 480 food	2	
Excess property	10	
General recognition		43
Public standing, prestige	19	
Facilitation of fund-raising	8	
Identification with other registered agencies and with U.S. Government foreign aid	8	
Acceptance by foreign government	4	
Other	4	

The registered agencies number 90 at this writing. Of them, 29 (plus the American Red Cross) have received ocean transportation reimbursement, 9 have received donated P.L. 480 food; 14 have received excess property. Some of these agencies are recipients of two or three types of subventions. Consequently, the total number of agencies partaking of the subvention availabilities is, as the Subcommittee is informed, at or slightly above 30. (Of those who have been awarded grants or contracts, note has been taken elsewhere in this report, rather than in this connection, as registration is not essential to eligibility for them.)

In conferring statutory eligibility for these subventions upon "voluntary nonprofit (relief) agencies (organizations) registered with and approved by the Advisory Committee on Voluntary Foreign Aid", Congress has given registration a practical and valuable "meaning" to the registered agencies. In the ten years, 1962-1971, the total U.S. Government support to registered voluntary agencies through these subventions is, in round figures, \$2.2 billion, made up of \$1.7 billion in P.L. 480 food, \$491 million in ocean transportation reimbursement (on agency supplies only), and \$5.25 million in excess property.

It may be deemed a truism to say that an organization which relies upon the support of the public for the attainment of its goals must establish a reputation for efficiency and trustworthiness to obtain and keep that support. An agency engaged in foreign aid must, as well, carry that reputation with it into the areas in which it is active, to gain the confidence of the governments with which it must deal and the people it seeks to serve. Basically that reputation, that standing, must rest upon the agency's own quality of performance. Nevertheless, the kind of official approval implicit in Committee registration is not without substantive value to the agency. There are increasing instances in which foreign governments

are indicating a preference for dealing with organizations registered "with the United States Government", and are requesting U.S. embassy information in their countries. Inquiries from the American public as to the bona fides of a soliciting agency or group are constant. This is especially true in times of great disaster, when the American desire to help manifests itself in the formation of new committees or groups, about which an equally eager contributing public seeks information and guidance.

(b) *The Government.* In measuring what registration does for the Government, this Subcommittee accepts as valid the premise that all American foreign aid, governmental and private, is decidedly in our national interest. There is logic in saying that if this were not so, and if registration were not an important contributor to the aid effort, there would not have been provision for voluntary agency registration. Congress would not have had the same basis of confidence for conferring eligibility for subventions upon voluntary agencies, and there would have been no 1966 amendment to P.L. 480 invoking Presidential utilization of Committee registered and approved voluntary agencies in Food for Peace distribution, and in programs of food production, processing, distribution, or marketing in friendly food-deficit countries.

Granted that the subventions, notwithstanding some difficulties and problems which, from time to time, attach to them, contribute materially to the voluntary foreign aid effort and are beneficial to the programs of the recipient voluntary agencies, we must look, however, to the reverse side of the subvention coin. Ocean transportation reimbursement means overseas availability of private relief and development resources which, if solely dependent upon agency financing, might not reach their destination. The distribution of P.L. 480 food would necessarily have had to be undertaken, at Government expense, by Government personnel and facilities. Excess property disposal could have been similarly affected. Too, the food distributions by the registered agencies (and to a lesser extent, ocean transportation reimbursements) perform a special service to U.S. interests abroad by contributing materially to the maintenance of an American aid presence in the seventy-three countries and areas in which the agencies have relief and development programs and A.I.D. does not.

There is yet another way in which the Government can profit from registration. It derives from the ability given to it to be a reliable source of information and advice to a foreign government concerning American voluntary agencies operating or seeking to operate in its territory, thus promoting the likeli-

hood of reciprocal goodwill. At the same time our Government's overseas missions can themselves be guided in their own relations with private organizations.

(c) *The Public.* The most direct significance of voluntary agency registration to the American public is in the implied assurance of credibility, efficiency, and effectiveness of the agency, and the confidence it imparts to an individual that his contribution will be properly applied to the purpose he favors. In a larger sense, all Americans with a sympathetic view of foreign aid can be said to receive the benefits, mutual and separate, described in the preceding subsections (a) and (b), for they constitute the fulfillment of the public's purpose.

4. *The possibility of change.* It is not unreasonable to observe that current events betoken possible change in the Government's approach to foreign aid. The actuality and design of any change await the determinations of the future. Consequently, we are constrained by prudence to refrain from attempting to contend with hypotheses predicated upon the unknown.

Looking at registration in its present form and scope, however, and reviewing the results of its operation during the several decades of its use, the subcommittee finds that it continues to perform the useful service for which it was devised. The information on registered agencies and their activities which it draws into the official files, and the disciplinary pull of the standards and conditions which registration requires, are built-in justifications of the process.

It is not difficult for the Subcommittee to assert that the reasons for registration are still valid, and that what has been gained from it by its continuation and its subjection to constant re-examination serves to insure the full measure of its usefulness.

In coming to this position, the Subcommittee considered whether a material reduction in any of the subventions would render registration less purposeful.

We recalled that there had been registration before there were subventions and, perforce, before Congress by statute conferred eligibility for these subventions upon the "registered and approved" voluntary agencies. We also recalled the very significant fact that the large majority of the registered agencies (roughly 60 out of 90) do not apply for any of these subventions, and that the lure of registration for new applicants resides in other than subvention eligibility.

We took into account statistics and other pertinent material furnished by staff of the Office of Private and Voluntary Cooperation (PVC), understanding, of course, that forecasts of

what could or could not be expected in the future had to be made on the doubtful assumption of continuance of current law and policy.

The subvention which has noticeably moved downward in availability is P.L. 480 food. The decline in volume has been relatively steady over the years. Up until 1970 there had been no precipitous drop from one year to the next. There is general agreement in official circles that the safe course for participants in this program to pursue is to assume continuation of this downward trend. In addition to a reduction in volume, there has been a shrinking in the list by kind. The latest casualty (for fiscal years 1973 and 1974) is nonfat dried milk, the last surviving dairy product in the program.

The ocean transportation support for voluntary agency shipments of their own collected supplies depends upon the allocation of A.I.D. appropriated funds. The total transportation fund is first arrived at on the basis of long-range program estimates submitted by the participating voluntary agencies. The individual allocations out of the total are calculated upon program submissions by each agency and their validation by the Committee through PVC. Actual payment is made after shipment and A.I.D. examination of bills of lading and other evidences of a properly completed shipping transaction. Judging from past experience, PVC staff feels confident that this support will remain at a satisfactory level in the foreseeable future, with variance, if any, occurring mainly from the fluctuations in the voluntary agencies' own programs.

With respect to excess property, there is a general expectation among the personnel familiar with that program that no appreciable reduction in available quantity is anticipated at present.

To summarize our thinking on the need for preserving the voluntary foreign aid effort through a registration process which does so much to maintain that effort on a high plain of conduct and result, we can do no better than to borrow from "A.I.D. and the Independent Voluntary Sector—a Progress Report", prepared in A.I.D.'s Bureau for Population and Humanitarian Assistance under date of January 3 of this year:

There is increasing appreciation throughout A.I.D. of the role of private and voluntary organizations. There is recognition that the efforts, energies, and interests of private and voluntary organizations, while modest in scope when considering the overall development challenge, are, nevertheless, quite relevant. In some circumstances and in some countries, they are the only resources available for certain types of programs. Moreover, as A.I.D. reduces its

programs and missions in particular LDCs the activities of private and voluntary organizations may well be the only aspect of U.S. presence and continuity left. . . . The underpinning of our activity has been the underlying American premise that there is some positive good in voluntarism and that it played a key role in the success of America's own development. . . . It has been our view that unless there is a definite hostile response from the LDC, voluntary organizations and voluntarism should be encouraged as an act of development by itself. We are not unmindful that for a very low cost we are acquiring leadership and dedication that maximize the use of diminishing A.I.D. dollars.

**The Proposal to Extend Registration to
All Private and Voluntary Groups
Applying For or Receiving A.I.D. Assistance,
Contracts, or Grants**

This proposal, if recommended by the Advisory Committee and accepted by A.I.D., necessarily contemplates either a major change in the Regulation 3 conditions for registration, or the promulgation of a special set of regulations to apply to those organizations which cannot now qualify.

Our pursuit of this phase of our study took us to officials of A.I.D. associated with contract and grant functions, including the Chief of Central Operations Division—Contract Management and Grants; the Associate Assistant Administrator for Technical Assistance; the Special Assistant to the Deputy Director of the Technical Assistance Bureau—Office of Research and University Relations; and the Chief of Social and Civic Development, LA/MSRD/SCD.

Our discussions exposed some basic points of relevant fact.

1. With few unidentified exceptions, the private organizations which make up the body of potential or actual receivers of A.I.D. contracts or grants cannot qualify for registration under present rules and procedures. This is particularly true of educational institutions, many of which are state-supported.

2. Contracts must be let under the strict provisions of law, as detailed and implemented by the voluminous set of rules contained in the Federal Procurement Regulations and A.I.D. procurement regulations. Thus, the fact of registration, or its absence, has no material bearing or influence in the negotiation or awarding of a contract.

3. The rules governing grants are not as stringent as those pertaining to contracts. The exercise of judgment and discretion in the selection of a grantee and the awarding of a grant

affords greater, though not capricious flexibility. However, recourse to the informational listings mentioned in the next paragraph has become so much a part of the grant procedure that it could have a bearing on whether registration with the Advisory Committee (either under a new formula or by enlarging upon the present one) will improve the process or contribute enough to it to make it worthwhile.

4. The offices having to do with contracts and grants (which we visited) compile and maintain their own listings of organizations and institutions which may be available to fill A.I.D. needs in development and others of its programs, including educational, health, scientific, technical, and a broad variety of research. The information contained in these listings is so well recorded, so broad in its coverage, that it possesses much of the quality of registration with which the Advisory Committee is familiar. Aided by a Technical Assistance Bureau (TAB) advisory committee, by educational and scientific associations, by private compilations, and by personal recommendations, the TAB office of Research and University Relations, for example, has created a "Data Bank" listing approximately 2300 types of services, 500 institutions, and the geographic areas which they can serve.

5. Contractors and grantees are subjected to a far more elaborate and searching screening and supervision than attaches to Committee registration. In addition to the requisite documentary presentations to establish qualification for contract or grant, there are on-site inspections as deemed advisable both before and after the awarding of the contract and making of the grant. The audits and other examinations of financial responsibility, accounting methods, reporting techniques, operations, and more, are scrupulously pursued. Representatives of some of the twenty-one of our registered agencies who have A.I.D. contracts or grants have testified to this, adding that registration with our Committee avails them nothing in the way of special consideration. Indeed, we of the Subcommittee can perceive no way which will legally permit those officials charged with contract or grant responsibility to ignore, waive, or modify the strict rules which govern them, and substitute therefor the findings and judgment of a committee whose experience and knowledge in this field does not presume to approach theirs. In what may be akin to our registration process, the preliminary approach to a contract award is by way of a questionnaire sent to the prospective contractor either at his own request or by solicitation of A.I.D. This solicitation by A.I.D. can be by way of official publications, advertise-

ments, notices in such as the Commerce Business Daily, responses to offers and inquiries from interested prospects, and other normal business practices, suitably adapted to governmental procedures and standards.

6. None of the grant or contract officials interviewed by the Subcommittee indicated that he had suggested Advisory Committee registration of prospective or actual contractors or grantees. At the time of our interviews, only one of these officials indicated familiarity with the Advisory Committee registration function; he had acquired a copy of Regulation 3 with which to prepare for our discussion. Another admitted not knowing about Advisory Committee registration, but he asked for and was furnished a registration file for his examination. In a subsequent memorandum to the Subcommittee, he stated:

While a review of the data in the file would not have everything necessary, it would provide a good basis for developing the remaining information that is needed. Some of the information that would be useful to us is the evidence of the organization's nonprofit status; the CPA report; the organization's past history, including prior government contracts, etc. I believe that the use of these type files could eliminate some duplication of efforts and improve the Agency's public relations with the Vol Ag agencies. . . . I intend to notify my staff of the availability of the information in your files and recommend its use when appropriate.

7. According to one recent tabulation, there are 116 organizations rendering services under A.I.D. contracts or grants. Involved are a total of 147 contracts and grants in the fields of agricultural development, community development, education, population, industrial development (unions), health development administration (public administration and management training), scientific and technological development, multi-sector service (support and backstopping of other organizations), and several not within a specially designated category.

Included in this number are 21 registered agencies, of which ten have a combined total of 20 grants, eight have a combined total of 40 contracts, two have one of each, and one has one grant and two contracts. Each of the types of service named immediately above is represented in at least one of the registered agencies' contracts or grants.

Conclusions and Recommendations

1. Advisory Committee registration of private agencies primarily engaged in or furthering voluntary foreign aid, now in its third decade of experience, has become and continues to be a fixed aspect of the United States foreign aid program and, in a broader sense, contributes significantly to our Government's posture in the exercise of foreign policy and in its relations with other countries notably the LDCs. Its benefits, as well, to the American public and to the voluntary agencies are fact.

Recommendation: The registration function and process of the Advisory Committee should be retained, without regard to the presence, absence, or diminution of the subventions.

2. The conditions of registration, in their present form and import, are at the foundation of the working relationship between government and the voluntary private sector. Congress, by statutory enactments, has recognized the quality and worth of that relationship. The registered agencies accept and abide by its terms. The agency representatives with whom the Subcommittee has discussed the question of expanding the process to embrace a wider range of private organizations do not welcome any relaxation or modification of registration eligibility which removes, or to significant degree diminishes, the concept of voluntarism to which they adhere.

Recommendation: The time-tested conditions of registration, and the standards of registered agency conduct which they induce, should be continued, but with allowance for adjustments and adaptations as new developments make them necessary or desirable.

3. The vast majority of the entities most frequently found among A.I.D. contractors and grantees cannot comply with the registration conditions of the Advisory Committee as prescribed in A.I.D. Regulation 3. They are not voluntary agencies in the mold of voluntarism which distinguishes those to whom registration is now granted. For most of them, voluntary foreign aid is not the reason for their existence, nor the main thrust of their activity. Yet, there should be no foreclosure of their opportunity to qualify for registration if adjustments in their structure and operational direction will facilitate it.

Recommendations:

(a) Organizations to which the foregoing conclusions attach should be permitted to file applications for registration and have them examined by the Advisory Committee.

(b) The applications which, in the judgment of the Committee, show the applying agency to have a proper and useful place in the voluntary foreign aid effort, but not meeting the requirements of A.I.D. regulations and Committee policies, shall be returned with stated reasons for disqualification and suggestions for remedying them. Among these suggestions could be a reorganization of the agency, or its creation of a subsidiary, an operating branch, or other corporate association, which would be framed to meet the Committee's eligibility requirements. Those applications which, in the judgment of the Committee, reflect insufficient basis or promise of such remedial measures shall, with their supporting documentation, be made available by the Committee to the appropriate office of A.I.D. with or without recommendation, as the facts of each case may indicate.

(c) The Advisory Committee, and the staff servicing it, should continue to advise and assist all inquiring and applying agencies who for any reason fall short of eligibility for Advisory Committee registration, on the courses which may be open to them to perfect their qualification for registration.

4. The specifications of A.I.D.'s contracting authority are fixed by law, as implemented by the published Federal Procurement Regulations. Grants are not subject to the same limitations of choice and administration applicable to contracts, but they are governed by rules and procedures which call for the judgment, care and impartiality which best serves the interest of the U.S. aid program.

Registration, if applied to contractors, would give the registrant no privileged or priority status in the awarding of the contract. Under present laws and regulations contracts must continue to be awarded to registrants and non-registrants alike, depending upon considerations of sound business practice and individual merit, thus obviating a possible inducement for contractors to go through the routine of registration.

A use to which the Advisory Committee's registration will henceforth be put in connection with contractor or grantee selection is that of agency identification, type of available service, location of programs, tax-free status, general reliability, etc., as outlined in the memorandum of which an excerpt appears earlier in this report. This should remove a ground of complaint voiced by a voluntary agency representative against the requirement that his agency, although registered with the Advisory Committee, must "re-identify" itself when it seeks to qualify for a contract or grant. Up to the time of our dis-

cussions with the contract and grant officials whom we saw, there had been little or no understanding among them of the Advisory Committee's function of registration, nor of the possible use which they could make of it.

On the other hand, the great store of information on non-government organizations maintained in TAB and elsewhere in A.I.D. for use in connection with the awarding of contracts and grants, has many of the attributes of a system of registration if not its procedural formalities.

Recommendations:

(a) On the basis of the present situation, legal and factual, the Advisory Committee should not now attempt to establish a registration process especially applicable to contractors or grantees.

(b) There should be undertaken in A.I.D. an examination into the feasibility of establishing a registration process elsewhere in A.I.D. specially designed for adaptability to the contract and grant function of A.I.D., if, indeed, registration of some kind by the Advisory Committee fails of adoption. In this connection, we recommend further that A.I.D. study and treat the grant process separately, whether its requirements in procedure and substance, differing as they do from those pertaining to contracts, can lend themselves advantageously to a formal registration process.

(c) Whether or not a system of grantee or contractor registration results from that examination, consideration should be given to the question of whether there is any necessity for the listings and related information on nongovernmental sources of useable services (not excluding the Advisory Committee's registration files) to be merged into one accessible information center, the better to serve their purposes, and the more widely to spread their usefulness. (The subcommittee is not certain that there is need for such a move, but it is this very uncertainty which has motivated this recommendation.)

General Recommendations

(a) The Advisory Committee should maintain a readiness to give any assistance or advice within its competence in contribution to resolutions of the issues to which this report is addressed. It should keep alert to opportunities for improvement in its own functions, and continue to maintain a position of adaptability to desirable change.

(b) There should be a continuing search for ways to make registration attractive to prospective registrants who can qualify under whatever conditions obtain, but who have not, perhaps for want of inducement or need, done so. We suggest that a proper inducement to registration by these agencies can arise in the establishment of eligibility, priority, or other preference by A.I.D. to Advisory Committee registrants in respect of benefits and concessions within the authority of A.I.D. to grant. We recommend that A.I.D. do what it properly can to give effect to this suggestion.

Respectfully submitted:

UGO CARUSI
MARTHA E. IRVINE
RAYMOND F. MCCOY

Subcommittee on Accreditation and Registration

March 20, 1973

ANNEX B

SELECT BIBLIOGRAPHY

A large number of sources were consulted during the preparation of this report, including a wide variety of government documents and unpublished material not readily available to the public. This Select Bibliography is therefore largely confined to those sources specifically referred to in the text.

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ANNEX C

REACTION PANEL PARTICIPANTS

*Participants at the Reaction Panel of October 16, 1973
Washington, D. C.*

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