

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D. C. 20523  
**BIBLIOGRAPHIC INPUT SHEET**

FOR AID USE ONLY

**Batch 57**

1. SUBJECT CLASSIFICATION	A. PRIMARY	TEMPORARY
	B. SECONDARY	

2. TITLE AND SUBTITLE  
Report of review team on Institutional Grants Program (211d)

3. AUTHOR(S)  
Berg, R.J.; Kitchell, R.E.; Schwab, Phillip; Swan, Alan

4. DOCUMENT DATE 1973	5. NUMBER OF PAGES 163p.	6. ARC NUMBER ARC
--------------------------	-----------------------------	----------------------

7. REFERENCE ORGANIZATION NAME AND ADDRESS  
AID/PPC/DPRE

8. SUPPLEMENTARY NOTES (Sponsoring Organization, Publishers, Availability)

9. ABSTRACT  
(Development assistance R&D)

10. CONTROL NUMBER <b>PN-AAD-502</b>	11. PRICE OF DOCUMENT
12. DESCRIPTORS	13. PROJECT NUMBER
	14. CONTRACT NUMBER AID/PPC/DPRE
	15. TYPE OF DOCUMENT

PN-AAD-502

AID/APC/DARE

**REPORT OF REVIEW TEAM**

ON

**INSTITUTIONAL GRANTS PROGRAM**

[211(d)]

?  
[subject  
and date of rept.]

Berg, R.

**September 25, 1973**

AGENCY FOR INTERNATIONAL DEVELOPMENT

REPORT OF REVIEW TEAM

ON

INSTITUTIONAL GRANTS PROGRAM

[211(d)]

MEMBERS

Robert Berg, PPC/DPR  
Raymond Kitchell, Chairman, TA/BEO  
Phillip Schwab, LA/BR  
Alan Swan, SER/MP

ADVISORS

John Hilliard, Consultant  
C. Tyler Wood, Consultant

September 25, 1973

## TABLE OF CONTENTS

SUMMARY	Tab 1
INTRODUCTION	Tab 2
PART I - PROGRAM PURPOSE AND RATIONALE	Tab 3
A. Original Purpose	Page 1
B. Changes in Context	Page 2
The AID Scene	Page 3
The LDC Scene	Page 7
The University Scene	Page 8
The Other Donor Scene	Page 10
C. Probable Role and Style of U.S. Universities in the 1970's	Page 12
D. Impact of Changes on 211(d) Objectives	Page 14
E. Alternatives and Complementarities to the 211(d) Program	Page 16
F. Major Conclusions	Page 20
PART II - SELECTED 211(d) ISSUES	Tab 4
1. Identifying Needs	Page 1
2. Clarifying and Reviewing Grant Purpose and Achievement	Page 6
3. Selecting Grantees	Page 11
4. Utilization	Page 18
5. Linkages	Page 29
6. Grant Revisions, Extensions and Expirations	Page 40
7. Grant Management	Page 49
APPENDICIES	Tab 5
Statement of Purpose	Tab A
Statistical Summaries	Tab B
Initiation of the 211(d) Institutional Grants Program	Tab C
Changes in Agency Policies and Strategies as They May Affect the Role of U.S. Universities	Tab D



REPORT ON THE  
INSTITUTIONAL DEVELOPMENT GRANTS (211(d)) PROGRAM

SUMMARY

Purpose

This report on AID's Institutional Development Grant Program is designed to provide a basis for senior level review to determine how or if the program should be continued and/or modified. It includes major findings, conclusions and important recommendations. However, the more comprehensive backup document should be referred to for detailed information on how these were reached, and for specific suggestions regarding how some of the recommendations might be implemented.

Judgments are presented on the program as a whole, with particular reference to actions which are relevant to the future role, size, structure and administration of the program. Because the facts we were able to ascertain are frequently inconclusive and sometimes contradictory, some of our observations and impressions are necessarily provisional, but can serve an important purpose in drawing attention to the need for better and more analytical data than are now available.

Program Purpose and Rationale

The Changing Scene

There were a number of interrelated events leading up to the enactment of Section 211(d) in the Foreign Assistance Act of 1966, which gave it a certain ambiguity of origin and purpose. The simplicity with which the concept is stated in the Act\* and in the subsequent implementing Manual Order tends to obscure the great complexity of achieving its objectives. The program came into being and has operated in a six-year period of time in which dynamic change was taking place, not only within AID but also on university campuses, in other development assistance programs, and, most importantly, within the developing countries themselves.

-----  
Section 211(d) of the FAA of 1966 reads:

"Not to exceed \$10,000,000 of funds made available under Section 212, or under section 252 (other than loan funds), may be used for assistance, on such terms and conditions as the President may specify, to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with the economic and social development of less developed countries."

Within the AID program, the most important changes which have affected the role of U.S. universities in development include: the Nixon foreign policy emphasis on partnership, self-reliance and multilateral cooperation; and the new directions in foreign aid assistance initiated by the Presidential Task Force on International Development and included in subsequent proposals made to the Congress. Directly related to these events, but of more direct and immediate impact on the Agency, was the Administrator's "Reform Message" of 1972 which set the framework for a series of policy and operational changes which are having a profound effect on technical assistance and the devices concerned with the transfer of development knowledge and skills.

These changes and recent actions by the House of Representatives suggest significantly different roles in development for U.S. private organizations and, in particular, universities: emphasis on new solutions to changing problems; creating new approaches for the diffusion of information and technology; a more direct professional collaboration in the practical work of development; emphasis on innovative ways to relate creative and talented individuals and institutions in our society to individuals and institutions in developing countries for the explicit purpose of improving the quality of the lives and the productive capacities of the peoples in those countries; and a style which emphasizes problem solving as a joint enterprise with the developing countries.

The proposed foreign assistance legislation for FY 1974 gives further recognition to an emerging new sense of distinctiveness, self-reliance and independence on the part of developing countries, and of the need for new knowledge and new initiatives increasingly geared to priority problems as perceived by the developing countries. These events have already had an impact on the programming and management of 211(d) grants.

There has been a marked improvement in the quality of economic and social leadership in many LDCs, and their ability to plan and manage their resources has increased. Accompanying this growing self-assurance and independence has been a more mature expectation as to the nature, limits and sources of outside assistance. The period has also witnessed a more effective functioning of the international development assistance system, and a steadily evolving process of collaborative effort by the developing and developed countries to join forces in designing strategies for dealing with key problem areas of development. Despite this progress, the major problems of LDCs still remain: poverty, unemployment, excessive population growth, poor health and nutrition--and lack of a sufficient quantity of well-qualified people to solve these problems.

The U.S. universities themselves have gone through considerable change, both in their outlook and in the resources available to them. They have greater modesty about what universities can accomplish in a given period of time. There is increasing recognition that development competence in the U.S. without reciprocal institutional bases in LDCs may be largely ineffectual. There is also evidence that the international dimension is being considered, in many fields, as indispensable to domestic education and research. In terms of resources, universities are no longer in a

growth pattern which enables them to sustain a significant involvement with LDCs without outside assistance. Anticipated federal funds for higher education either have not materialized or are diminishing; private sources of funds are decreasing and becoming more restricted as to their use.

As far as we can determine, AID's Institutional Grant Program is unique in concept and purpose among aid donors. No other donor country apparently considers its universities as major instruments of development in the broad sense the United States does. U.S. foundations are in some cases retrenching their overseas programs and limiting their grants to provide more specific services to LDC institutions. The multilateral agencies have no program comparable to 211(d) but, to a limited extent, have made use of U.S. university expertise.

#### A Projected Role for U.S. Universities in Development

The impact of the above changes on the prospective role of universities in development is by no means clear in all respects. The ultimate responsibility for determining this role, of course, rests with the universities themselves. However, they will be influenced in their decisions by the priorities of AID, and by the magnitude and administration of its resources. We, therefore, offer our observations with regard to the role which they should play in the AID program.

The most important role for American universities will continue to be in the education and training of developing country nationals, perhaps more sharply focussed on key development problems. There will be a continuing decline in broad LDC university development by U.S. institutions, with most of such assistance confined to the least developed countries.

There will likely be a correspondingly increased emphasis on development and application of new knowledge, or innovative ways of applying existing knowledge, to more carefully defined problems. U.S. universities will be expected to develop greater skill in true collaboration with LDC universities and governments in the identification and solving of such problems. They must find lower cost, more effective ways of participating in development, with more rigorous evaluation of results.

This role suggests that the 211(d) program should become more important, not less, to AID and to the universities. It does not necessarily imply that the program should be larger, but that it should be more carefully designed, better administered and its results more fully utilized.

#### Results of 211(d) to Date

Program concepts, problem areas selected, criteria applied and administrative practices have changed appreciably since 1968, but these changes have occurred primarily through and among the relatively few people who have had direct responsibility for part or all of the program. Generally

speaking, the original premises of the program have never been clearly understood or supported by the majority of AID staff. Six years of experience raises a number of fundamental questions. On some it is still too early to reach firm judgments. On others, we believe sound conclusions can be reached. After carefully considering the information and data available to us, the team reached a number of important conclusions including:

- The original concept of the program, its rationale and purpose remain fundamentally valid, although experience suggests a modification in some of the basic premises.
- Some in the Agency have tended to expect almost "instant development" of U.S. institutions under the 211(d) program, an expectation which is unrealistic--particularly in consideration of the relatively small amounts provided on an annual basis to each grantee.
- Although there has been considerable unevenness in the performance of the 42 institutions which have received a total of 46 grants, there has been substantial progress in the establishment and development of the program, including a far better understanding of its nature, problems and potentials. However, in the future, the test of progress will lie increasingly in the utilization of knowledge and skills that have been generated under it.
- The freedom of judgment and action provided in the grant relationship has produced occasional problems, but these have not been of sufficient frequency or seriousness to warrant a change in this basic policy. Most of the problems which have occurred could have been avoided by closer liaison and a more positive and fuller professional interaction between AID and the grantee.
- The cost/effectiveness of the program is not susceptible to objective analysis from data now available. Since the program is primarily intended to produce qualitative improvements, its cost/effectiveness will probably remain a matter of judgment rather than measurement. In quantitative terms, the program is small--\$31.5 million over six years, with only \$2.8 million obligated in FY 1973.
- Although there has been some questionable dispersion of grants (including some problem areas which are no longer regarded as critical for AID), looked at as a whole, the program appears increasingly well focussed, and, with appropriate improvements in its management, gives promise of becoming an even more effective and useful program instrument.

### Alternatives and Complementarities to the 211(d) Program

The 211(d) program is a special-purpose instrument. Wise use of it requires careful analysis and judgment of the program to be attacked. Applied with discrimination, we do not believe there are practical alternatives to this program. However, it is only one of the complementary options which constitute the "mix" available to the Agency under various circumstances, each of which has its own place. When adequate institutional capabilities exist, a contract for a specific product is usually preferable.\* The 211(d) grant should be awarded only in high priority problem or policy areas, where existing institutional competence or capability is inadequate, and when it is the lower cost alternative.

Other program options, mentioned in more detail in the backup document, include: university service or research contracts; programmatic and multi-purpose grants; judicious use and support of individual scholars through small grants and contracts; and the creation of new instrumentalities such as the inter-university institutional arrangements, currently being studied by the Agency, to provide additional interface between U.S. and LDC institutions.

### A Modification of Program Purpose and Rationale

Today there is a reasonably clear focus and direction of U.S. development assistance for the rest of this decade. It seems an appropriate time to revise formally the 211(d) program rationale, not only to recognize the changes that have taken place, but to communicate throughout the Agency and the university community the basis on which new grants will be made and existing grants extended. Perhaps the most important modification suggested involves more purposeful use of this program to support and accelerate the problem oriented approach now being emphasized by the Agency and encouraged by the Congress. Such a statement should include:

- A mandate for a continuing congruence in the programming of 211(d) grants with current Agency areas of concentration and priorities, e.g., priority development problems and quality-of-life considerations
- New criteria for utilization of the 211(d) grant mechanism and selection of grantees to assure a high degree of selectivity in the program.
- Shifting emphasis in carefully selected problem areas from development of capacity to sustaining a response capability for AID programming needs.
- More emphasis on knowledge transfers and methodology, and on activities which involve joint problem solving, applied research, and training in selected problem areas.

-----  
\*Refer to PD 53 on "Use of Grants in AID Programs".

- Strengthening and supporting selected U.S. institutions in building their capability and competence to deal with LDC problems, including encouraging their participation in existing or potential systems or networks involving LDC, DC, and other U.S. institutions.
- Development of response capabilities directly related to AID functions, e.g., sector analysis, project design, and evaluation.

In brief, then, we view the 211(d) program as a unique and valuable instrument for achieving important development objectives, when used indiscriminatingly and in intelligent conjunction with other instruments available to the Agency. Accordingly, considerable effort was directed towards identifying areas where both the content and management of the program could be improved or otherwise strengthened on the assumption the program will be continued.

#### Program Improvements

Recognition is due to the managers of this program for the considerable progress they have made, often under trying conditions, in improving the 211(d) program. It should also be noted that many of the suggestions included below were obtained from Agency and grantee personnel involved with the program. A brief recapitulation of the major findings and conclusions follows:

#### Identification of Need

In general, 211(d) grants have reflected and are reflecting Agency program concentrations although not all grants are in current priority areas. It is more difficult to assess the need for development of institutional capacity. Notwithstanding some excellent in-house expertise, the process of considering grant proposals does not often include--or at least sufficiently document--systematic state-of-the-art knowledge and explicit information on the actual and potential demand for and supply of institutional capacity.

#### Clarifying and Reviewing Grant Purpose and Achievement

Inadequate definition or clarification of grant purpose and expected results can contribute to lack of agreement or confusion within the Agency and with the grantee as to proper grant activity, appropriate funding and a reasonable timeframe for achievement. Recent revisions in the annual evaluation process, including new reporting requirements, have had many useful results but have not helped appreciably in clarifying grant purpose or facilitating better professional interface and collaboration between AID and grantees. Purpose statements, particularly those in established problem areas, need more definitive and up-dated treatment while preserving the basic grant character of exploration, innovation and flexibility. This process can be helped by jointly identifying and defining project status indicators which are directly

related to grant purpose. Given the constantly changing program environment and its impact on the stability of "purpose", initial agreement and periodic review of grant purpose by both parties is critical. These statements should also reflect Agency concern with overseas linkages, network participation or other collaborative arrangements, and, most particularly, utilization.

### Selecting Grantees

Despite frequent criticism, with very few exceptions the selection process has resulted in grants to highly competent and committed institutions. Nevertheless, because of its importance, it would be useful to develop explicit selection criteria which (a) relate directly to the selection of an institution, (b) can serve as a checklist for Agency-wide use and (c) reflect the evolving changes in program rationale and the adoption of the problem-solving approach. There needs to be a bit more formalization, particularly in terms of documenting the actual process used and its results.

The recognition of special criteria in selecting minority institutions is indicated. For example, the criterion of previous commitment to the international dimension cannot be fairly applied. On the other hand, providing grants at the undergraduate level or where a graduate-level base does not exist, postpones indefinitely the prospects for an effective collaboration with LDCs on an institutional basis.

### Utilization

Whatever the original purpose and design, utilization is becoming increasingly the measuring rod for 211(d) grants. Utilization patterns, both by grantees and on a geographic basis, have been spotty. On the whole, grantees favor use of their capacity and most believe they are far from reaching their threshold. In fact, in some areas they fear they are creating a wasting asset. AID, while preaching utilization, often appears to strike a passive mode or, in a few cases, even a hostile attitude towards work in particular countries. Knowledge of the program in the field is thin at best with the regional bureaus hesitating to take a positive and continuing role to inform missions of 211(d) capabilities, facilitate linkages or take other actions which would lead to utilization. Even in the award of contracts there is often no special consideration given to 211(d) grantees. In fact, it frequently has been suggested that fuller utilization will come about if the Agency programs 211(d) grants in conjunction with other contract work.

It is unwise to view utilization as the sole indicator of success for all grants or to judge such utilization almost exclusively in terms of service to USAIDs. Nevertheless, in awarding new grants and in the extension and revision of existing grants, utilization must become the single, most important test. In this context, we use the term "utilization" in a broad sense and regard it as covering on-campus services

such as training and basic research, collaborative research with LDC and other U.S. institutions, and both short and long-term overseas services whether funded by AID, other donors or the recipient country or institution itself. Utilization just doesn't happen often enough by itself and the Agency as a whole must actively assist in increasing actual and potential utilization with the recognition that it will cost money and require joint effort.

### Linkages

Institutional linkages are one formalized pattern in which utilization occurs. In a trend which began in 1971, the Agency is giving linkages, and the more organized pattern of networking, great stress in its theory of how knowledge should be transferred. Despite this stress, there is little explicit agreement on what linkages are and how they should operate. They can be, for example, one-to-one linkages or, on the U.S. scene, involve the creation of consortia or similar inter-university collaboration on a particular problem. An international pattern of problem-oriented institutional linkages is called a network and two grants have recently been awarded for the specific purpose of developing two U.S. institutions as "nerve centers" in an international network (soybeans).

Linkages are a highly useful pattern for development and utilization of grantee capability but not the only pattern. They can serve very useful purposes if the LDC institution has development importance, i.e., is directly influencing development policy. This suggests that AID must concern itself more with the programming and evaluation of institutional linkages to be assured that opportunities to support important linkages are not neglected and that unimportant ones are not supported. The questions of both subject-matter and individuals becomes critical in such an appraisal. Most linkages will not just happen but will require planning and subsidy to survive. Missions themselves must give more attention to fostering the creation or maintenance of linkages of development importance if this pattern of utilization is to become more widespread and significant.

The consortium approach has had mixed results but may become more important as 211(d) grants are increasingly honed to priority development problems involving multidisciplinary and system approaches. The same is true with networking which is likely to be successful only in certain areas of high interest to both developing and developed countries.

### Revisions, Extensions and Expirations

A large number of grants are up for funded extensions this fiscal year. This gives the Agency the unique opportunity to (a) shuck off bad or low priority investments, (b) reshape specific grants to meet currently conceived problems, policies, strategies and needs, and (c) give substance

to a new program rationale. For these reasons, the need for a general policy on revisions and extensions which complements a parallel policy on the award of new grants is critical and, time-wise, of highest priority. We believe that the Agency has no choice but to apply strictly the rule of need to any funded extensions carefully calculated in terms of both short and long-term returns to the Agency and the LDCs.

It must also be recognized that we are entering into a period where, in effect, the Agency will be assisting in maintaining--primarily through utilization--a selected group of universities which have clearly demonstrated their commitment and competence in a sharply focussed and well-defined priority problem area of continuing concern to the Agency. The raison d'etre for any revision or extension, other than phase-out, is where continuing support is required for such universities. A recognition of this type of support also necessitates a progressive grant concept to be developed when negotiating new grants, i.e., a grant-project plan that mixes the development of institutional capacity with expected utilization of that capacity.

Where a continuing response capability is not called for, specific phase-out plans should be included, if additional time is required, in any grant extension amendment. In such circumstances, the Agency might want to consider making a small grant(s) to an individual scholar(s) to continue research or other work that shows promise. Detailed criteria are included in backup documentation of this report for dealing with specific revisions, e.g., moving to the maintenance and utilization mode, and can also be used in comprehensive reviews carried out in or about the third year of grant activities. These criteria are grouped under the principal headings of program concentration and priority; activities supportive of Agency policy, methods of operations and strategies; significant results in the achievement of grant purpose; and long-term institutional commitment to the LDC scene.

#### Grant Management

With the creation of TAB, the 211(d) program was given a program and organizational focus and management has improved. On the other hand, the management function is becoming increasingly involved and demanding and is handicapped by declining Agency manpower, occasional lack of in-house technical expertise, a multiple sharing of management responsibility--all within a setting of changing Agency priorities and requirements. There has been a tendency at times for overmanagement of routine administrative matters and undermanagement on the substantive or professional side. It is obvious now that these types of grants require more, not less, professional and subject-oriented interface than is the case with direct contracts.

In addition to improvements in the programming and evaluation systems, RIGC itself should consider a change and clarification of its role which would remove it from reviewing project detail and involve it more in determining the relevance of specific proposals to Agency strategies, policies and LDC needs. More useful yet might be a merger of RIGC with the GTSC, giving more attention to "programmatic" reviews at the sector and problem levels, with technical questions left to the various technical committees, calling on the assistance of outside expertise as required. Despite recent efforts, particularly by PPC and TAB, to provide information about and stimulate interest in 211(d) institutions, there is a serious information gap, particularly in some of the geographic desks and field missions. An action program is needed to disseminate information about 211(d) institutions to the anticipated consumers of grantee capabilities.

#### Principal Recommendations

1. AID revise, in consultation with the university community, and modify the purpose and rationale for the 211(d) program to support the problem-oriented approach being emphasized by the Agency and encouraged by the Congress.
2. Establish criteria and guidelines for the award of new grants (as suggested in Part II of the backup document) which assure careful consideration of all mechanisms and instruments available to AID for the solution of development problems and that new 211(d) grants be utilized only when there is a reasonable identification of need for additional institutional capacity.
3. Encourage and selectively support the strengthening of LDC institutions in priority development problem areas--particularly where this will make 211(d) investments more effective.
4. In the process of identifying needs for strengthening U.S. institutional capacity:
  - . use problem or sub-sector oriented state-of-the-art papers, prepared with outside assistance.
  - . consider explicitly and document specific problem area opportunities, and the actual and potential demand for and supply of institutional capacity, here and abroad, as part of the analysis of 211(d) grant proposals.
5. Develop jointly with the grantee, quantitative and qualitative indicators of purpose achievement, including linkage and utilization expectations, during the negotiation of new grants and extension/revision of current grants. Undertake a joint review of purpose definition approximately 18 months after the initial award followed by a comprehensive on-site review in the third year, as more fully set forth in Part II, Issue 2 of the backup document.

6. Adopt an updated checklist to be used throughout the Agency of criteria for selecting grantee institutions; provide wider participation in and better documentation of the selection process for specific grants; and develop criteria for minority institutions which results in the selection of those most likely to contribute to the solution of LDC problems.

7. The Agency, as-a-whole, should accept a joint responsibility with grantees for facilitating and maximizing effective utilization of their capacity. Suggested actions include:

- . emphasize planning for utilization of institutional capacity in the programming, selection, negotiation and evaluation processes.
- . provide incentives and means to grantees for utilization through supplemental contracts, special grant provisions and funds, and field assistance.
- . develop contract guidelines which assure adequate consideration of appropriate 211(d) institution(s) in all AID contracts planned in the problem area in which they are involved.
- . mount an Agency-wide, continuing effort to publicize program purpose and content, thus reducing misinformation and unfamiliarity, and facilitating field participation.
- . provide incentives for mission collaboration with grantees and prompt backstopping by AID/W of mission requests for services by grantees.

8. Broaden the patterns of institutional linkages supported by the Agency and encourage active pursuit of a variety of options. For this purpose:

- . use selective funding to foster linkages showing particularly high potential for work on priority development problems.
- . add an appraisal of the quality and/or potential worth of linkages as part of the grant proposal reviews and midcourse comprehensive evaluations.
- . increase training of LDC personnel in 211(d) institutions and bring about closer coordination with AID participant training program.
- . make selective use of consortia and networks, and
- . encourage linkages with non-grantees and other donors, with selective financial support if necessary.

9. Agency policy on extensions should be: (a) in cases where unfavorable decisions on grantee requested extensions were delayed, one year extensions be negotiated which permit an orderly phase-out including the option of small grants to individual scholars; and (b) in carefully selected grants addressing specific priority problems, revisions be negotiated which shift the focus from development of capacity to maintenance and utilization of capacity. In selecting grants in the latter category, the following criteria are suggested for strict application.

- . problem area or subject is central to AID priorities
- . significant new approaches/knowledge have been or are being developed
- . adequate progress to date achieved in creating institutional response capability
- . grantee is committed to long-term involvement and has demonstrated willingness to shift to utilization posture.

10. Improve management of the 211(d) program by:

- . developing management guidelines specially tailored for 211(d) grants
- . eliminating travel and other prior-to-the-fact "clearances" wherever possible.
- . providing a more effective basis for, and emphasizing importance of, timely professional collaboration between AID and grantees.
- . simplifying grant management responsibility and grantee interface by assigning prime responsibility to sponsoring technical office and redirecting RIGC--or combined RIGC/GTSC--to a "programmatic" advisory role.
- . developing a comprehensive, life-of-grant program statement which includes all relevant information and plans, from initial identification of need to phase-out or sustaining mode.
- . in addition to annual management reviews, holding special evaluations at stated intervals for purpose clarification, professional collaboration and utilization, and to provide data for decisions on expiration, extension or revision.

With the adoption and implementation of these recommendations, it is our judgment that the 211(d) program can be a greatly enhanced and valuable asset of the Agency. It is a unique program, requiring a special combination of skills, cooperation and management techniques. There is a danger of overmanagement and, given the relatively small amount of most grants, over-expectation. On the other hand, without special and concerted Agency-wide attention, it can languish and lose purpose. With proper care and balance, it can provide outstanding resources for the world development effort. It is the hope of the team that the information developed and actions suggested will speed up and sharpen this evolution.



## INTRODUCTION

### Purpose of Review

In February of this year, TAB and PPC agreed that it was appropriate to look at the Institutional Grant Program (211(d)) in terms of the purpose it was or should be designed to serve. Recent and proposed changes in Agency policies and modes of operations, over six years experience with the grant program, and other events were viewed as making it a propitious time to review specifically the effectiveness of this program instrument in terms of increasing the quality and availability of U.S. institutional talent to work on LDC development problems (see Appendix A, for detailed statement of purpose). Accordingly, an intra-agency Review Team\* was commissioned by the Assistant Administrator for Technical Assistance to prepare an appropriate staff analysis and report to serve as the basis for senior level review and subsequent action.

It is emphasized at the outset that the Review Team was asked to study and appraise the program as a whole, not individual grants, grantee institutions or groups of grants in individual development sectors. Although this charge was a valid one, and has been carefully observed by the team, it nevertheless has led inevitably to certain findings and conclusions which do not apply to every grant and, indeed, apply in unequal measure to all of them. The forty-six grants which have been made address a considerable variety of development problem areas. The forty-two institutions receiving and administering these grants have widely varying views of development, of the distinctive role which they can play in it, and of the most fruitful ways in which 211(d) grant funds can be utilized.

Nevertheless, we believe that our findings and conclusions are reasonable judgments of the program as a whole. We have particularly sought to present recommendations which are relevant to the future rationale, purpose, design, structure and administration of the institutional development grant program.

### Method of Approach

While the members of the Review Team represent a fairly broad spectrum of experience in international development, they have not been previously closely associated with the institutional development grant program. Consequently, this report is based primarily upon, (1) an examination of

-----  
\*Augmented by several part-time consultants.

the basic documentation available in the Agency, (2) a review of the changing environment(s) within which the program operates, (3) extensive interviews with knowledgeable people at all levels of AID/W, (4) interviews with responsible representatives of some 23 grantee institutions, (5) interviews with USAID staff members in eight Missions in Asia and Latin America, (6) interviews with LDC leaders and staff members in both national, regional and international organizations and (7) discussion of the program with a limited number of other development assistance agencies.

These interviews revealed a great range of knowledge about and attitudes toward the 211(d) program; from detailed knowledge and insight to total ignorance; from enthusiastic support to open hostility. For purposes of our study, all these interviews were useful and are reflected in this report.

Finally, it should be said that the Review Team was under no admonition to find a rationale and justification for the program beyond those which arose from the facts and its own judgments. Part I, to a large extent, contains the results of the team's efforts to develop a framework for such judgments. Obviously, the events which gave rise to the program, or the views of the Congress which enacted Section 211(d) are not to be taken lightly. Neither could we set aside entirely the internal and external attitudes and expectations which have been generated by the program during the past years. However, the conclusions reached and recommendations made in this report are derived, to the best of our ability, from the facts as we see them. Because these findings are frequently inconclusive and sometimes contradictory, some of our observations and impressions are necessarily provisional, but we hope they will serve an important purpose in drawing the attention of the Agency to the need for better answers than we are able to provide at this time.

#### Organization of the Report

In Part I, we deal with the modification of program purpose and rationale. This includes a summary of the significant changes which have taken place since the inception of the program, their impact on 211(d) objectives, alternatives available in specific circumstances, and major conclusions. In Part II, the continuation of a modified 211(d) program is assumed and significant issues are identified for senior management review. For each issue, the team presents its findings and conclusions, the options and/or steps which can be taken, and recommendations. Background data are provided in various exhibits and appendices.

#### Program Statistical Sketch

There have been 46 grants awarded during the six fiscal years the program has been operating for total obligations of \$31,535,889. The amount, subject, problem area, and institution for each grant awarded is shown

in Appendix B, by fiscal years. Except for FY 1972, when over \$5 million was obligated, there has been a steady decline in annual program allocations and obligations from a beginning in FY 1968 of \$7,350,000 to \$2,775,889 in FY 1973. Current figures developed within TAB indicate an FY 1974 program request in the neighborhood of \$10 million and \$6.8 million for FY 1975.

**PART I**

**PROGRAM PURPOSE AND RATIONALE**

PART I - PROGRAM PURPOSE AND RATIONALE

A. Original Purpose

The purpose of the AID Institutional Grants Program, as stated in Section 211(d) of the Foreign Assistance Act of 1966, is to provide assistance

" . . .to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with economic and social development of less developed countries".

A review of the events and documentation leading up to the issuance of M.O. 1018.1 on February 21, 1968 1/, gives explicit and/or implicit recognition to a number of sub-objectives or expectations, of which some of the more significant are:

- to develop and effectively mobilize on-campus interdisciplinary competence and knowledge on specific problems related to growth in the LDCs.
- to develop technical resources in vital development fields upon which AID can draw and where there is a direct relationship to known program needs.
- to support the development of human and other resources likely to be needed for future development program requirements but not necessarily directly related to identifiable short-range needs.
- to sustain and strengthen institutions on which AID has drawn heavily in the past and will have to depend increasingly in the future under a broad and continuing arrangement.
- to develop the development art itself, e.g., retailoring professions to make them fully applicable to requirements of LDCs and to facilitate the organization of knowledge and skills which recognizes the interdisciplinary nature of most development problems.
- to improve the performance of the educational community under "regular" contract devices.

-----  
1/ See Appendix C, Initiation of the 211(d) Institutional Grants Program, for an account of the long background leading up to inclusion of Section 211(d) in the FAA.

- to develop U.S. "centers of competence" dealing with a professional or technical discipline, a specific geographic area, or both.
- to increase the congruence between AID and U.S. university objectives.

Specific activities to be funded originally included:

- (1) curriculum development and revision;
- (2) faculty chairs to allow returning staff members up to one year to write up their overseas experience, etc.;
- (3) literature surveys;
- (4) problem-oriented task forces;
- (5) basic research to provide a sounder theoretical base for more applied contract research; and
- (6) course of study leading to the development of TA practitioners.

In a functional sense, it was stated that funds would be used to (1) establish university centers to focus study on the development process; (2) support basic research; (3) develop techniques of social measurement; (4) support applied research, i.e., the translation of U.S. skills to other cultures; and (5) maintain institution-to-institution relationships both between and beyond specific contract projects.

#### Official AID Policy

M.O. 1018.1, which was a narrower interpretation of 211(d) than desired by some university leaders, is still in effect and identifies the purpose as overcoming identifiable shortages of properly trained personnel, and gaps in knowledge and skills which restrict AID's efforts to carry out assistance programs. Grants are to be used to strengthen "centers of competence" dealing with a professional or technical discipline especially relevant to the needs of LDCs, or a specific geographical area, or both, and to build long-range resources in-depth rather than to procure specific services.

#### B. Changes in Overall Context

Since the 211(d) program was first authorized in 1966 and the first grants awarded during FY 1968, many changes have taken place on the American university campuses, in the LDCs, within AID itself, and in programs of other development assistance organizations. The more significant changes, their implications concerning the role of U.S. universities, and consequent need for institutional assistance are summarized below.

1. The AID Scene 2/

Decade of Development: The impetus of the early 1960's and the launching of a "Decade of Development" were still evident in 1966 when the 211(d) amendment was enacted. Emphasis was largely on resource transfers and foreign policy objectives with technical assistance usually being programmed in terms of contributing to these economic and political objectives. Emphasis was on the solution of short-term operational problems, but the importance of institutional development for the solution of long-term problems was recognized and went hand-in-hand with concepts of self-help.

Quality of Assistance: By the mid-'60's, and coincident with the 211(d) authorization, there was a re-emergence of the functional or technical emphasis as well as renewed concern with improving the quality of assistance. Highest priority was given to the "War on Hunger" which concerned both ends of the Malthusian ratio. At the same time, AID was redefining its role as that of a catalyst, coordinator and channel of assistance; it began restricting the use of direct-hire personnel, and placing greater reliance on contracts with non-governmental organizations or other government agencies.

Problem Approach: The increasing importance of multi-country specific activity, particularly research, was manifested by the creation of the Technical Assistance Bureau in 1969. The Key Problem Area approach was developed, and concern with the quality and effectiveness of technical assistance, and the instruments and agents for applying such assistance, were given an organizational focus.

Development Strategy for the '70's: The "Nixon Doctrine" set the framework and direction for future AID programs with emphasis on partnership, self-determination of priorities by LDCs, and regional and multilateral cooperation. Technical assistance was emphasized, with special concentration in the areas of agriculture, education and family planning. In his first foreign aid message to Congress, the President stated that TA personnel serving abroad must increasingly come from private firms, universities and colleges, and non-profit service groups. These "New Directions in Foreign Aid" were given further substance and impetus by the recommendations of the Presidential (Peterson) Task Force on International Development which were incorporated in the President's legislative proposals to Congress in September 1970.

The Administrator's Reform: Pending Congressional action on the President's proposals, the AID Administrator issued a reform statement which set the framework for a series of policy and operational

-----  
2/ See Appendix D, Changes in Agency Policies & Strategies as They May Affect the Role of U.S. Universities, for more detailed description.

changes which are having a profound effect on technical assistance and the devices concerned with the transfer of knowledge. Some of the more significant directions in terms of U.S. universities include:

- emphasis on new approaches in the diffusion of information and technology.
- a major and more direct professional collaborative role for American universities (and other non-government organizations) in the practical work of development.
- mandate to find fresh ways of relating innovative, creative and knowledgeable individuals and institutions in our society to developing country individuals and institutions in such a way that the quality of the lives and the productive capacities of the people in these countries can be improved.
- joint problem-solving by LDC and American personnel as the preferred mode.
- emphasis on research and innovation, including the welding and strengthening of world-wide research networks.

Implementing Actions: A series of Policy Determinations have been issued pursuant to the "Reform" including:

PD 47: Provides guidelines for strengthening the innovative and research thrust of AID programs, particularly in relation to global progress towards solving priority development problems. Allocation for 211(d) grants is to be based on assessment of the most important gaps in U.S. capabilities for working in priority problem areas.

PD 48: Requires that all capital and technical assistance project proposals include attention to employment and income distribution considerations. Special priority is requested for research designed to increase understanding of the problem.

PD 49: Calls for a high quality professional research capability, available to AID and LDCs, on priority development programs, including forward looking research and development to build knowledge, people and organizations.

PD 51: Provides a "Guidance Statement on Selected Aspects of Science and Technology", the first global sector strategy statement to be issued. TAB was assigned the responsibility to coordinate and focus the use of Agency resources in research, institutional grants, and pilot programs to identify and establish innovative approaches to major problems impeding LDC development in selected subsectors.

PD 53: On the "Use of Grants in AID Programs", is the first in a series designed to make more effective use of AID intermediaries in a collaborative mode with minimum official supervision.

The Rest of the Decade: In the President's message to Congress last May transmitting the proposed Foreign Assistance legislation for FY 1974, recognition was given to an emerging new sense of distinctiveness, self-assertiveness and independence on the part of developing countries. The "presentation" reflects declining AID support for infrastructure in favor of concentration in three sectors--food production, rural development and nutrition; population planning and health; and education, public administration and development of human resources. The mandates of the "Reform" are continued with the presentation made on a functional or problem basis. In each area of concentration, emphasis is given to the need for new knowledge. It now appears that Congress intends to incorporate the problem approach into a new authorization act. As the result of recent Congressional testimony, the Administrator has informed all Assistant Administrators that AID needs to do as much as possible to build "new initiatives" in the FY 1975 program, including country projects and research, 211(d), and other experimental programs; and that he has earmarked \$20 million in grant funds to develop new projects--or add components to existing projects--in the new initiative areas.

This year's instructions to the field on Program Planning for FY 1975 and beyond include the statement that:

"Our 211(d) institutional grants to strengthen U.S. institutions' response capability and support of international research networks are increasingly geared to the same priority sector and problems. Existing institutions, delivery systems and technology are often not relevant to LDC problems of population growth, nutrition, mass employment and low cost health and education systems. This deficiency requires a concentrated problem-solving approach by AID in which field programs are backed up by research and pilot programs in the LDCs as well as the continued expansion of U.S. and international expertise in these areas".

In discussing general policy considerations, the Agency is again reminded that it is necessary to give continued attention to maximizing the use of U.S. contractors, universities and private voluntary agencies in implementing its programs.

The instructions repeat last year's guidance on the necessity to relate centrally funded research more closely to priority development problems, including the view that LDCs have many problems in common, and that new approaches to these problems can be discovered through international efforts combining research and LDC institutions and the private and public sectors of the developed countries. The development of DAPs is stressed

to help identify knowledge gaps as part of the process of providing direction to the Agency's research efforts, and to give a clear indication of the type, quality and amount of technical assistance and institutional capacity, i.e., response capability, likely to be required.

Finally, a recent manpower study commissioned by AA/SER concluded that, in conformance with AID's new role and style, with few exceptions, specific technical expertise will have to come from outside the Agency. The question relevant to this review is how much of an institutional base and capacity is necessary to provide an adequate talent bank for the critical functions for which AID will now have to rely on outside assistance.

#### Changes in Process

Partially as a result of the events highlighted above, and also as a result of experience and evolution, changes are taking place in the criteria being applied for programming 211(d) grants, the purposes to be achieved, and eventual expectations. Some of the more interesting or significant events, changes and/or innovations are highlighted here:

- Of the 30 grants made since FY 1970, 22 are directly related to KPAs or global sector strategy statements.
  - In FY 1973, the smallest grant yet was awarded, \$100,000, to Pace College. Two mini-grants (less than \$50,000) were also made to institutions with Institutional Development Agreements (IDAs).
  - Five grants have been awarded to minority institutions, totalling \$2.1 million, with several more in the pipeline.
  - AID is now looking at the 211(d) program within a somewhat different context, i.e., more and more as part of the "network orchestration". As soon as funding is available, the first two 211(d) grants will be awarded for the specific purpose of creating an international network based on the Universities of Illinois and Puerto Rico for soybean development.
  - Of the grants awarded in FY 1968, the first year of the program, all have been terminated (population) or extended without additional funding (India agriculture). Requests for funded extension of subsequent grants have been received but have not yet been acted upon formally.
- Agency annual spending for university involvement in institution building with LDC sister institutions has declined from an average of about \$36 million in the '60's to about \$12 million in the early '70's, although contracts to U.S. universities have remained at about a \$50 million annual level.

- 211(d) grants are now first presented for Agency review as an integrated program and further considered on a sector basis before being considered on an individual basis.
- No grants have been awarded for nutrition, health, urban development or development administration, although some are being proposed.
- Increased emphasis, in criteria for selection and in annual reviews, is being given to overseas linkages and utilization.
- The \$10 million annual appropriation limitation has never been approached. In fact, the annual obligation rate has been steadily decreasing, with the exception of FY 1972, from a first year high of \$7,350,000 to a FY 1973 low of \$2,853,889.
- In the past year and a half, some AID/W efforts have been made to involve field missions through distribution of a 211(d) directory, field visits, special reports and programming guidance. The initiative for such efforts has usually been from TAB but the results to date have been disappointing.
- Grantees are being encouraged to establish working relationships with multilateral organizations and other donors.

## 2. The LDC Scene

### Changes 1966-1973

There has been a marked improvement in the quality of economic and social leadership in many LDCs. Bright, well-trained technicians and managers have moved into positions of responsibility, their ability to plan and to manage their resources has increased, and the need for foreign advisors has diminished though there is still urgent need for such help in a number of problem areas, particularly in the RLDCs. There is now more LDC self-assurance and independence--they are less amenable to wholesale U.S. or other outside direction or influence; they have lower expectations of aid from the U.S. and tend to make fewer demands on us. The U.S. policy of placing greater reliance on LDC initiatives strengthens these tendencies.

This period has also witnessed a more effective functioning of the international development assistance system. International lending and technical assistance institutions are well established and it is no longer necessary for the U.S. to assume the predominant role in aid. There is a steadily evolving process of collaborative effort by the LDCs and the DCs to combine forces in designing strategies for dealing with problem areas of development.

### Outlook for the Rest of the Decade

Despite considerable progress as measured by economic growth rates, food production, health, and education, the major problems of LDCs remain and will continue with only slow abatement and a few notable exceptions. Though there are more well-trained professionals, technicians and managers in the LDCs, there is still a serious lack of depth in these areas--a thin veneer of high quality personnel with insufficiently trained second level people. This condition will not soon be substantially changed.

The prospect of further and possibly massive food shortages will maintain an extensive demand for technical assistance in agriculture--a field in which the U.S. is pre-eminent.

The LDCs--particularly the more sophisticated among them--show evidence of preferring a different style of relationships with the U.S., characterized by wider access to U.S. scientific and academic circles. They also expect a more collaborative type of assistance involving a greater degree of joint planning and implementation. In pursuance of these aims, they wish to have the institutional resource bases for their development built in their own countries rather than in the U.S. but most are willing to participate in multi-national collaborative endeavors which promise country-specific results. In any case, research carried out in their countries is becoming welcome only when it takes the form of a joint effort in which they are fully involved.

Experience indicates that not all LDCs will recognize the importance and/or potential of certain activities--e.g., fish production, land reform, sector analysis--which AID has included in its programs. As a consequence, some U.S. universities involved may have few requests for help in such areas and may require help from AID in establishing meaningful linkages with LDC institutions.

### 3. The University Scene

Apparent Perceptions at Beginning. The problems of American universities dealing with the LDCs--and AID--were first systematically analyzed in the so-called "Gardner Report" of 1964. This report, and the implementation of many of its recommendations, led universities to certain assumptions and expectations about their relationships with AID in the future. To the universities, 211(d) was the most clearcut response to the concepts of the Gardner Report. Although this was not entirely accurate, they were largely justified in the following assumptions:

- AID had drawn heavily on universities in the '50's and '60's and should help build strength back into them as development resource bases.

- Development grants would enable them to function more in a university style: teaching, research and services better integrated; more concentration on longer-term objectives; better integration of international activities with other on-campus activities; opportunities for multi-disciplinary efforts in problem-oriented activities; more and better qualified staff members; LDC graduates back in home institutions to provide linkages for joint effort on important problems.
- With guaranteed funding, for five years or more, universities could find solutions to key development problems and develop people who knew how to apply them in developing countries.
- A more collegial type of relationship with AID was in the making, including more flexible administrative procedures, greater emphasis on program development and less on fiscal accounting.
- Assumption (along with AID) existed that institutional development was a form of architecture, an edifice that could be built, would remain relatively stable, and be available when needed, and that the need would exist.
- Universities were in a growth pattern that would continue indefinitely and that this growth would enable them to continue activities after grant funds were expended; and that funds available from the International Education Act, foundations and other sources as well as utilization by AID (or other development assistance agencies), would maintain the capacity built up under the grant.

Apparent Changes in Perceptions. Between 1967 and the present, significant changes and events, as well as perceptions of them, took place in the university community. Some of the more relevant include:

- Even with five year funding, this is a very short time in which to develop solutions and people for solving difficult problems. The problems themselves are in constant change, and AID's priorities have changed significantly since 1967. For both reasons, some of the work under 211(d) tends to be in a continuing state of flux and oscillating relevance to AID's changing priorities. Further, these priorities have not always been congruent with those of developing countries.
- Integrating international with other on-campus activities is a difficult, time-consuming and frequently frustrating affair. Bringing many disciplines to bear on a problem area is a virtuous idea, but often extremely difficult to accomplish.

- With a substantial gain in development experience there is, a greater modesty about what universities can accomplish in a given period of time. Universities are more open-minded about what development is, what can be done to accelerate it, and how inter-cultural transfer can be effected.
- There has been some improvement in the quality of AID-university relationships under contracts and 211(d) projects, but the relationship is still far from ideal. There is relatively little joint planning and evaluation; AID policies and practices sometimes impede easy access to LDC institutions; and administrative and input questions still seem to loom larger than universities feel necessary or desirable.
- There is a realization that institutional development is not creation of a stable structure, but one built upon a few mobile people of high talent and motivation; that unused potential, however important, rapidly dissipates; that institutional competence in the U.S. without reciprocal bases in LDCs may be largely ineffectual.
- Universities are no longer in a growth pattern which will enable them to sustain 211(d) activities from other resources. Anticipated federal funds either have not materialized, e.g., IEA, or are diminishing, NEDA, Hatch Act funds for Land Grant institutions, and foundation funds are both decreasing and becoming more restrictive in use. This varies widely, but few institutions can do little more than continue the most basic core activities generated under 211(d) without further financing through grants or contracts.

Perhaps the most important impact of these changes insofar as the 211(d) program is concerned is that, although there has been a definite orientation of many U.S. universities towards problem-focussed research and service, their overall ability to carry out programs in the LDCs is very likely to diminish over the next few years in the absence of sustained external support. The almost universal request for grant extensions tends to support this view. A related factor is the potential erosion of departments and faculties already involved as cutbacks in other federal and "soft" support affect the total departmental base.

#### 4. The Other Donor Scene

As far as we have been able to determine, AID's Institutional grants 211(d) program is unique in concept and purpose. Other development assistance agencies, primarily the private foundations, have supported institutional development of U.S. universities in individual cases to enable them to perform specific services to LDC institutions. But in no instance has any other agency conducted a program to strengthen universities in broad problem areas to provide higher quality assistance to LDCs world-wide.

The area studies program, supported extensively by the Ford Foundation, in some respects resembles the 211(d) program. But its thrust was (and is) primarily toward strengthening U.S. universities to provide better knowledge of other countries and cultures, and to enhance American capabilities in the languages, politics, economics and social characteristics of those countries.

Both Ford and Rockefeller have supported U.S. universities extensively in certain specialized fields--economics, medicine, population and law, for example--with a clearcut international dimension. Some of their individual university grants are very similar to those made under 211(d). However, these were individual grants, not part of a program, and were usually for the purpose of providing services to particular institutions, countries or within a region.

The UN agencies and the international banks have no program comparable to 211(d), although they have indirectly contributed to U.S. university development in a variety of ways. Their relation to U.S. (and other donor country) universities has been through the LDCs, which under loans or grants may avail themselves of developed country university assistance.

The U.K. Overseas Development Administration supports extensive exchanges between U.K and LDC universities through funds made available to the Inter-University Council for Development Overseas. A limited number of small grants are made to individual British scholars who are collaborating with LDC scholars on problems of common interest. But ODA supports no activities which are designed to enhance the institutional capabilities of British universities.

Detailed knowledge of the programs of other DAC countries is not presently available, but we know of no program among them comparable to 211(d).

The Rockefeller and Ford Foundations express the view that assistance funds are more profitably spent on institutional development of LDC universities directly. Both see an important role for U.S. universities in contributing to such development of LDC universities, but believe the locus of institutional development should be in the LDCs, so far as their activities are concerned. Both expressed favorable reactions to AID's 211(d) program, and felt that our institutional grants might well contribute to a broader resource base of value to them. However, their lack of comprehensive and in-depth knowledge about the 211(d) program indicates that special efforts will have to be made if they are to be aware of and make more significant use of capabilities developed under the 211(d) program. This is probably equally or even more true of other development assistance agencies.

The fact that 211(d) is a unique program, of course, raises the question of why it is justified for AID when no other donor agency finds it necessary or feasible. Part of the answer is that AID has a unique relationship with U.S. higher education, and many American universities are more problem and service centered than the universities of other countries. Probably no other donor country considers its universities as major instruments of development to anything like the degree we in the U.S. do. The multilateral agencies, by definition, are largely inhibited from making investments in developed country institutions. Perhaps another part of the answer lies in the sheer size and diversity of AID's program as compared to the Foundations, or other bilateral donors.

Finally, in recent years, AID has seriously sought to discern and develop solutions to needs and problems of the future, rather than confining its efforts to problems familiar through past experience. This has meant, among other things, a concentration on a relatively few crucially important problems, which are more intractable because of the lack of basic knowledge or professional competence to deal with them. In almost every case, such problems, when identified, reflect a need for enhanced competence on the part of U.S. institutions to do research and teaching and to provide new and different kinds of services to the LDCs.

#### C. Probable Role and Style of U.S. Universities in the 1970's

Based on the changes highlighted above, we have attempted to project the probable future role and style of U.S. universities in development assistance; to form a framework for conclusions regarding the type of institutional capacities likely to be required, the need for direct grant assistance, and the impact of these findings on the purpose and rationale for the 211(d) program.

##### Substance

- The most important role for American universities will continue to be in the education and training of LDC nationals. We can expect, however, more emphasis on curriculum improvement and special training directed towards priority development problems by institutions with major overseas commitments.
- More contacts can, and with the right knowledge and incentives, will be made directly with LDC governments, regional and other action-oriented organizations dealing with "live" development problems within their special competence.
- For both roles above, research (basic and applied) on key development problems will be given high priority by committed U.S. universities.

- Direct assistance and collaboration with LDC universities will continue but with less emphasis on broad, long-term "institutional" relationships except, perhaps, in the RLDCs. Functions will include:
  - . Assisting in building up LDC institutional capabilities to do teaching, research and provide services significantly related to development.
  - . Assisting in creating effective working relationships between and among LDC universities in identifying and making better use of their own resources in solving common problems.
  - . Improving continuing links and joint activities with their graduates from LDCs.
- Providing a quality response capability to AID within selected problem areas and for such functions as sector analysis, project design and evaluation.
- Fewer AID contracts and grants overall but more sharply focussed and utilizing a problem-solving, research and development approach.

#### Style and Method

As already pointed out in the "scene" descriptions above, the style of assistance is moving rapidly from the "tutelage" mode, in which knowledge was treated simply as a "transfer" process, to a "collaborative" style which recognizes (a) that the problems of LDCs require unique solutions and (b) such cooperation results in benefits to both parties. Therefore, in addition to role changes, we are also most likely to see some significant changes in the way U.S. universities operate--both in terms of self-interest and in reaction to the desires and requirements of the LDCs and funding agencies. Such changes will include:

- More willingness to collaborate with LDC universities through exchange (or loan) of individual faculty and staff members; through departments, institutes or consortia; and through short-term, recurrent services, rather than university-to-university programs on a broad institution-building scale.
- Greater participation in research (at both the institutional contract and Ph.D.-candidate level) which is jointly selected, planned and carried out with host counterparts.
- More willingness to specialize on a specific problem or sub-problem and participate in a systems or multi-disciplinary approach (both at the intra- and inter-university level) to problem solving.

-- More participation in regional and global research and other collaborative networks both as important linkage points and/or as nerve centers.

-- Cooperation with AID and other donors to (a) facilitate easier, quicker, informal relationships with LDC institutions and (b) reduce costs of and political sensitivity to such relationships.

D. Impact of Changes on 211(d) Objectives

As has been noted, the changes in AID policy and outlook have in part been incorporated into the evolving 211(d) grant program. Concepts of the program, problem areas selected, criteria applied and administrative practices have changed appreciably since 1968. It is significant to note, however, that these changes have occurred through and among the relatively few people who had direct responsibility for parts or all of the program. Generally speaking, the original premises of the program have never been clearly understood or supported by the great majority of AID's staff. The evolving concepts and results of the program have not been communicated effectively throughout the Agency. Even those who were participants in the process of change in the program tend to see each modification as an ad hoc improvement rather than as a re-conceptualization of program purposes and rationale.

This is not necessarily a criticism, since a body of experience, acquired over time, is necessary to a general appraisal of a program like 211(d). Nevertheless, one result has been that the program has evolved, embraced new problem areas, reflected new concepts of institutional development and produced new views of utilization, without any general change in our perceptions of the nature, purposes, structure and management of the program.

Essentially the same process has occurred in the grantee institutions. Although important environmental (scene) changes have taken place in the universities which affect 211(d) grants, at least as important changes have occurred in the views of the institutions about the purposes, administration, constraints and results of the grants. Some of these have been identified earlier.

Although the LDCs have been largely ignorant of the 211(d) program, the course of events has produced, in the more advanced among them, a growing conviction that the most important need for institutional strength is in the developing countries. Their steadily increasing professional competence has given them confidence (not always justified) that they are now capable of creating and managing high quality development institutions.

These changes, through six years of experience, raise a number of very fundamental questions. From the perspective of 1973, what can reasonably be said about: (1) the validity of the 211(d) concept as expressed in the Foreign Assistance Act and made more specific in M.O. 1018.1; (2) achievement of the results envisaged for the program in 1968; (3) achievement of other results not anticipated, but of comparable value; (4) its cost-effectiveness as a way of investing development resources; and, (5) alternatives available which give promise of achieving the same (or more relevant) objectives at the same (or less) cost. Beyond these issues is one other, somewhat different, but no less important: can U.S. institutions "develop and carry out" really effective programs without comparable institutions in the LDCs to which the U.S. institutions can relate?

Obviously it is too early to reach firm conclusions with regard to any of these questions. But they are questions to which the Agency should attempt to provide reasonable answers in the years immediately ahead.

This study has resulted in some provisional conclusions which the team feels obliged to record, as a basis for the more specific conclusions and recommendations appearing in Part II.

We believe the original concept of the 211(d) program, and its rationale and purpose stated in M.O. 1018.1, remain fundamentally valid. Although experience suggests modification of some of the premises of the M.O., in general, the objectives enunciated in it stand up remarkably well, despite the changes that have occurred in the intervening years. The fact that the concept was stated very simply in the Act and in the Manual Order tends to obscure the enormous complexity of achieving its objectives. Moreover, while the Agency accepts the long-term and uneven nature of institutional development in the LDCs, it tends to expect instant development of U.S. institutions under the 211(d) program. In short, there has been, and is, a significant gap between the Agency's stated rationale and purposes of 211(d) and the actual expectations by some of what the program can or should produce in a relatively short period of time and small amount of funds. We believe it is the expectations that are unrealistic rather than the rationale and purposes.

While there has been considerable unevenness among the 46 grants (and 42 institutions) in achieving our stated purposes, there has been substantial progress in its establishment as a new and important program. Its concepts have been refined by experience, and its potentials and limitations have been more clearly identified. However, in the future, the test of progress will lie much more in the utilization of knowledge and skills that have been generated under it. Moreover, it must be borne in mind that most of the large problem-area grants have been made in the last two or three years, and, consequently, judgment of them may be premature.

The principal reservations encountered by the team were that results are slow in materializing into usable knowledge and skills available in meeting problems in specific countries. In some instances this appears to reflect a basic disagreement with the concepts of the program, and in others an inability to make a clear distinction between the purposes of a 211(d) grant and a technical services contract, a situation which, in part, may arise from instances where 211(d) grants have been used in a service capacity.

There are also allegations that one unintended result of grants is that they remove an undesirable degree of AID control over the activities of grantees in the LDCs. Here again, there is an indication of disagreement with Agency philosophy of the program and a feeling that detailed AID control is necessary to prevent undesirable or irresponsible activities by grantees, particularly in the developing countries. There are isolated examples of poor judgment on the part of grantee personnel. On the other hand, the Agency has consciously sought a less directive role in the administration of 211(d) grants, in keeping with the statements of the President, the policies of the Administrator, and in the light of its own experience. The accounts of grantee activities in the LDCs provide no evidence that this loosened control on the part of AID has produced problems of sufficient frequency and seriousness as to challenge the basic policy. The team accepts that problems do exist with regard to the practical application of this policy and makes a number of recommendations with respect to them in Part II.

The cost/benefit factors in the program are not susceptible to objective analysis from data available at this time. It is probable that such definitive analysis will not be possible for some years, if ever.

In quantitative terms, the 211(d) program is small--\$31.5 million over six fiscal years, and was only \$2.8 million in FY 1973. But the program was never expected to be large. Its basic thrust was toward sharply-focussed, high quality knowledge and talent in crucial development problem areas. Although there has been some questionable dispersion of grants, and inclusion of some problem areas which are no longer regarded as critical for AID, looked at as a whole, the program does appear increasingly well-focussed and, with appropriate improvements in the management of the program, gives promise of being an even more effective and useful program instrument.

#### E. Alternatives and Complementarities to the 211(d) Program

This subject deserves special attention for two main reasons: (1) there are fairly frequent allegations within the Agency that the 211(d) instrument is an indirect and inefficient way of getting at development problems, and (2) 211(d) operates within and is related to a variety of other instruments used by AID to help solve development problems, the two most common being the general technical services contract and the research contract.

We believe there is some considerable confusion about alternatives within the 211(d) program and alternatives to it. In Part II, we make a number of specific recommendations with respect to alternatives within the program. After careful study of the objectives of the program, and AID's experience with it, we do not believe there are practical alternatives to this program. It is true that there have been instances in which a case could be made that a GTS or research contract would have been as good or better choice of instrument. But each such case seems to have turned on the question of the objectives sought in the individual case, not on the validity of the objectives of the program.

The 211(d) grant should be awarded only in high priority problem or policy areas, where existing institutional competence or capability is inadequate, and when it is the lower cost alternative. This is not, however, an argument against the program, but for a highly discriminating use of it.

In this report, several recommendations are made about various ways of using and/or improving the 211(d) instrument. Briefly they include:

- limiting grants to a relatively small and selected number of highly committed universities addressing priority development problems within areas of Agency concentration
- shifting emphasis to creating and sustaining a response capability for AID program needs
- focussing on institutions which have potential to participate in problem-oriented domestic and worldwide networks

While the team believes that the 211(d) program purpose needs to be rearticulated in these terms, with increased focus on LDC utilization, it is not the only instrument available in terms of increasing the quality and availability of U.S. university talent to work on LDC problems. The alternatives are not mutually exclusive and, in fact, may be complementary options which must be considered in arriving at program decisions. These alternative instruments are, therefore, not substitutes for each other but rather part of a mix available to the Agency, to be used as varying circumstances permit or require.

These alternatives are listed below along with some of their apparent virtues and shortcomings.

### Contracts

A frequently encountered question in reviewing 211(d) proposals is "Why can't a contract be used to develop capacity or strengthen the knowledge base?" We believe the correct answer is that a properly conceived, designed and managed contract can and should become a means of strengthening the institution; any contract which weakens an institution is a poor contract. While there undoubtedly have been cases in which contracts were disadvantageous to the contractor, AID, or both, the team rejects the thesis that, through our contracts, we have debilitated the universities. Had this been so, they would have ceased long ago to be available to AID as major collaborators in development.

The distinctive feature of 211(d) grants is that they are designed primarily to strengthen capabilities which are inadequate to meet development needs or create institutional capabilities which do not now exist or are not sufficiently focussed on a crucial problem. Contracts are designed primarily to utilize such capabilities. When it is possible to design a contract (technical services or research) so that the university is strengthened appropriately in the relevant field, i.e., priority development problem, and AID and the LDCs obtain a useful product, this obviously should be the chosen mode. When the 211(d) grant is more appropriate, the team believes that early and significant utilization of institutional capabilities is essential to and an organic part of institutional development.

### Type of Contract

The degree to which a contract, through utilization, can extend and enhance a university's capabilities depends on many variables, such as the type and size of contract, duration, purpose and location. For example, a large research contract involving a key problem common to many LDCs normally can be expected to make a more significant contribution to institutional development than a location-specific study of a limited problem. While there is serious doubt whether a personal services or OPEX-type contract has any institutional impact, in specific cases it may.

As presently written, contracts by themselves are not suitable for maintenance of essential core support because (a) costs must be directly attributable to the specified product, service or results sought, (b) available staff time is often fully utilized on the specific task and (c) there is no provision for the lead-time, flexibility and/or continuity necessary for program development and mobilization of experienced, high quality faculty. There is one contracting device, however,--the Basic Ordering Agreement--that has been used to provide core support. Primarily a device to facilitate short-term use by

USAIDs, Task Orders have sometimes been issued which contain funds to provide essential core support at headquarters but its use for university services has been very limited.

Another attempt at providing an institutional development and/or sustaining element in, or in combination with, a contract is just now being tried with Institutional Development Agreements (IDAs). Matching "mini-grants" of \$42,000 and \$36,000 respectively have been given to MUCIA and Columbia Teachers College to facilitate the institutional accumulation of the skills and knowledge gained abroad in AID contracts by returning faculty members. The continuing effect of such grants is, of course, limited.

#### Programmatic and Multi-purpose Grants \*

In the population field, University Service Agreements have been executed which provide for: (a) basic core support; (b) program development; and (c) focussed use of university capabilities on LDC identified problems within the terms and conditions of the grant. This device was expressly designed to help maintain and utilize a viable capability in lieu of extending 211(d) grants and/or entering into a large number of small contracts. This report includes a recommendation for making a similar transition, in carefully selected problem areas within existing 211(d) grants, as a condition of extension undertaken for reasons other than rapid phase-out and expiration. Either approach appears feasible, and could serve as an extension of the 211(d) concept or as a separate device complementary to it.

Another type of grant which can contribute to institutional development, while providing a service at the same time, is also being developed by PHA/POP. This innovation involves a multi-year bloc grant to an institution for training in specific areas. It not only will provide the funds for financing a specific number of individual participants at the graduate level, but also will fund faculty activity and research relevant to curriculum development and training for these students. In this case, it will be an add-on to existing USAs but it can also be employed separately and perhaps even for a different purpose, e.g., to encourage basic research in a new problem area.

#### Grants and Contracts to Individuals

In every field and in many universities there are specific individuals of extraordinary ability, productivity and influence who are, in fact, the sinews of institutional strength. In the various fields of development they are, or may become, unique resources for AID if a significant part of their time can be applied to critical development problems. This is

-----  
\*See PD 53 on "Use of Grants in AID Programs".

particularly true where such people are involved in: (a) key fields but not with institutions warranting 211(d) support; and (b) subjects which may be important to development but where AID does not wish to fund major institutional support. Judicious use and support of such scholars could be made through a variety of devices including: preparation of specific papers; mini-research projects; or as recipients of regular GTS or research contracts. Other possibilities include carefully worked out consultancies and talent-sharing arrangements under existing institutional grants and contracts or through provisions of the Intergovernmental Personnel Act.

In the discussion of Issue 1, Identifying Needs, it is recommended that such devices be used in two specific circumstances: (a) where a leading scholar working on problems of central importance to AID's program requires support to continue his work. If this scholar were in a community of scholars working on a particular development problem, then an institutional grant could be considered; (b) where top scholars are working on problems not of current priority but which hold potential of high value. In these cases, AID could preserve and/or clarify its options in such areas as urban development, science and technology, and macro-economic planning, without premature institutional investments. In dealing with Issue 6 on grant extensions, the partial support of selected scholars is also suggested as being one way of sustaining selected individuals and activity, providing it is central to the strength of the university and to the extension of its development capabilities.

#### Creating a Private Intermediary

Finally, reference should be made to the proposal currently being studied by the Agency to support a new inter-university institution to provide an interface between U.S. and LDC institutions. The new instrumentality is being designed to ". . . facilitate both the direct mobilization of U.S. resources for specific AID development project needs, and the realization of a broader and growing array of opportunities for U.S.-LDC university linkages that contribute to LDC development purposes".\* If worked out and adequately funded, this arrangement can be a major factor in facilitating U.S. university participation in development, particularly those which have developed special capabilities under the 211(d) and other AID programs.

#### F. Major Conclusions

In summary, we see the 211(d) program as a unique and valuable instrument for achieving important development objectives, when used discriminatingly and in intelligent conjunction with the other instruments available to the Agency.

-----  
\*See memorandum dated June 29, 1973, Bernstein to Other AAs, "A New Approach to LDC/US University Relations".

Focus on Developing Countries

Institutional grants under the 211(d) program are made on the implicit assumption that institutions in the LDCs are developed to the point where they can effectively take advantage of U.S. knowledge and skills generated under the program. Unfortunately, experience indicates that for most LDCs this is not now the case. In our view, this usually creates a sharp limitation upon the effectiveness with which new U.S. institutional capabilities can be brought to bear on problems within the LDCs. This is particularly true of grants in the social sciences where modification and applications must be carefully adapted to local circumstances and cultures. While certain recommendations relating to this problem are made in Part II, the team feels that the fostering by AID of LDC institutional development in key development problems should become a major new dimension of its program--particularly where this will increase the effectiveness of 211(d) and other Agency R&D investments.

A Modified Program Rationale

The changes described have obviously already had an impact on the 211(d) program although not all with equal recognition or acceptance. Today the focus and direction of AID is much clearer. It seems an appropriate time to formally restate the program rationale, not only to recognize the changes that have taken place, but to communicate throughout the Agency and the university community the basis on which new grants will be made and existing grants extended.

The most important implication of recent changes on the development scene as they affect the 211(d) purpose and rationale is the current and potential use of this instrument to support and accelerate the problem-oriented approach being adopted by the Agency and encouraged by the Congress. Therefore, a restatement should include:

- A mandate for a continuing congruence in the programming of 211(d) grants with current Agency areas of concentration and priorities, e.g., priority development problems and quality-of-life considerations.
- New criteria for utilization of the 211(d) grant mechanism and selection of grantees to assure a high degree of selectivity in the program.
- Shifting emphasis in carefully selected problem areas from development of capacity to sustaining a response capability for AID programming needs.
- More emphasis on knowledge transfers and methodology, and on activities which involve joint problem solving, applied research, and training in selected areas.

Strengthening and supporting selected U.S. institutions for development, including participation in existing or potential systems or networks involving LDC, DC, and other U.S. institutions.

Development of response capabilities directly related to AID functions, e.g., sector analysis, project design, and evaluation.

## PART II

### SELECTED 211(d) ISSUES

#### Purpose of Review Issues

In this Part, it is "assumed" that, in one form or another, the "need" for the 211(d) program still exists and the discussion concentrates on suggestions for improving the process itself. After a detailed review of individual grant files and available documentation, a typological analysis of important grant elements, and some preliminary discussions with a few key Agency and university officials, a set of review issues was identified which were believed to be of importance to senior management. These issues formed the structure for subsequent discussions, interviews and analyses, including the selection of a field sample of grantee institutions and AID missions.

We have attempted to highlight and separate objective findings from our analyses and conclusions but in some cases the data was slim. Many of our suggestions are neither new or original but they are, for the first time, included in a comprehensive review of the program which may facilitate adoption. This Part should be useful for subsequent staff work when specific recommendations are considered by normal decision-making channels. The issues are:

1. Identifying Needs
2. Clarifying and Reviewing Grant Purpose and Achievement
3. Selecting Grantees
4. Utilization
5. Linkages
6. Grant Revisions, Extensions and Expirations
7. Grant Management



## 1. IDENTIFYING NEEDS

### A. Description/Explanation of Issue

The first test a proposed 211(d) grant must meet is that it is directed "towards developing special competence in an area of skill or knowledge that is directly related to the program needs and responsibilities of AID". (M.O. 1018.1) This requirement, in roughly similar language, is part of the grant summaries required to be submitted by sponsoring offices proposing 211(d)s and is part of the de facto operating considerations of the program. It seems reasonable, then, for the first order of business in a review of the 211(d) program to determine how well AID has done in identifying the areas needful of 211(d) grant support. Beyond this question of knowing whether we are in the right areas, is the concern that we also know, once we pick an important area, whether that area requires the build-up of institutional capabilities. In abbreviated form the issues are:

- (a) Have 211(d) grants been in areas of program need?
- (b) Have we needed to build research and institutional capacity in the subject areas of our grants?

### B. Findings

Program Needs. In general, we have found that the 211(d) grants have and are reflecting Agency program priorities (See Exhibit 1). By and large, grantees are working in areas of subject importance to the Agency program. Grants reflect Key Problem Areas and the more recent program emphases.

However, not all grants are in priority areas. For example, the comparative legislative studies grants reflect neither program subject nor style needs as they were at the time of the grants or as they are now. It is hardly conceivable that AID would utilize the capacities built in these three grants in our own program by, for example, fostering a project to advise a government on how it should organize and conduct its legislative processes. Some recent and planned grants may also be in areas where AID will lack the ability to follow-through with program activity but these exceptions amount to no more than a very small percentage of the 211(d) program and appear an acceptable risk. It may be that, in areas where AID has an interest in furthering academic or other activity but does not have a program concentration, some effort should be made to find alternative instruments to 211(d). Such instruments might be centered more in fostering the work of specific scholars than in building up whole institutions.

Some areas of AID program concern are not currently receiving 211(d) support, e.g., health, nutrition, employment strategies, and the focus on RLDCs. Health is the only major area, however, of long-standing program interest which has not been aided by 211(d) assistance.

Need for Institutional Capacity. The second question--did we need to support the growth of institutional capacity in the areas of our grants--is far more difficult and less subject to clear-cut findings. In the grant programming process, once a subject area is identified where AID has or will have substantial program needs, it would seem that two follow-on considerations should be faced:

- (1) is the knowledge needed for our program available, i.e., has it been developed; and
- (2) is there sufficient institutional capacity to meet the demands of our program efforts and other closely related demands?

Although advised that these two considerations are weighed in the grant programming process, we saw little of this in the official files or in the minutes of RIGC meetings. Documented surveys of existing knowledge, undertaken as part of the grant proposal stage, generally are not available. Too little stress may be being given these critical considerations including, for example, the general state-of-the-art and explicit consideration of knowledge development in other countries. Several grantees complained that AID's technical knowledge is outdated or simply lacking which tends to reinforce doubts on whether AID always has adequate state-of-the-art information when considering grant proposal. Most grantees sampled stated that they were on the frontiers of their field. While it would be difficult to expect a different reaction from them, independent peer expertise was not available to us (except in the water area) nor are there records indicating that such expertise was consulted when most grants were being considered (exception: S&T grant to Georgia Tech).

We have no information on any systematic effort to try to match opportunities and potential for development-centered institutional capacity in given subject fields with the supply of such capacity. While the 211(d) legislative language speaks of U.S. institutional capacity, the Ford Foundation gives current emphasis as part of its grant analysis on finding out whether LDC capacity exists which can fill the needs or, with little effort, be built-up to meet major needs. TAB does not attempt to make such a finding. Part of learning whether a demand for or supply of institutional capacity exists must involve field knowledge. In our survey, some missions and regional bureaus complained about not being involved in the decision of where to put emphasis in 211(d) funding. Since regional bureaus are members of RIGC, it is apparent that this representation has not always been an effective link either to regional bureau front offices or to missions. Analysis of the supply side of institutional capacity also requires an explicit and comprehensive knowledge of U.S. institutional resources.

### C. Conclusions

On the macro-sectoral level, 211(d) grants generally do fall within AID's major concerns. Some grants are not within our current areas of major program concentration and health and nutrition, as subject fields, have not received 211(d) grants.

Consideration should be given to creating ways short of 211(d) grants for selectively supporting scholarship in areas outside of AID's concentration so that AID "keeps its finger in the pie" in areas which may hold program potential.

Notwithstanding some excellent in-house expertise, the process of considering grant proposals fails to include or document sufficient, systematic state-of-the-art knowledge and explicit information on the actual and potential demand for and supply of institutional capacity. AID should make more use of outside experts--either collectively thru RAC or a similar group or individually--in estimating the state-of-the-art of given fields. We also should find better ways of gathering field and domestic information for identifying problem area opportunities and estimating the demand for and supply of institutional capacity. One of the assumptions behind our conclusion is that there is a great deal of basic knowledge around which requires applied research and there is a lot of applied research holding potential for use. Peer experts can help identify such situations through participating in state-of-the-art discussions. The need for demand and supply analyses is particularly important if the Agency is to be assured that a 211(d) is part of a correct response to a given problem area. Only through clearer and documented analysis will we know whether, of the many options available to AID--research contracts, service contracts, institutional development grants, programmatic grants, grants or contracts to individual scholars--211(d) is the right instrument--or part of an optimal mix--for a particular problem.

### D. Management Options/Actions

1. Commission substantive state-of-the-art analytical papers, preferably by two or three individuals (including where possible LDC scientists and professionals) with different perspectives, in selected problem areas or sub-sectors generally considered to be important and relatively new or undefined. These could then serve as the basis for "projection" symposia, with LDC, Mission and AID/W participation, as well as other appropriate U.S. and developed country participants. The aim would be to get a clearer view of gaps, opportunities and needs and the program instrument or mix that is most appropriate.

Advantages            -- . involvement of outside experts in sector strategizing, upgrading, supporting or supplementing technical knowledge of AID.

-- help in clarifying the subject purpose of specific grants.

Disadvantages -- programming might be more complex, costly, and lengthy.

-- loss of some independent flexibility.

2. Make an explicit and parallel attempt to identify the actual and potential demand for and supply of institutional capacity here and abroad in fields where grants are proposed. This could be compiled as part of the sub-sector/problem state-of-the-art exercise but, in any event, should be a part of the information prepared for the grant proposal analysis.

Advantages -- Enable clearer analysis and documentation of magnitude, duration and type of institutional support required.

-- Should lead to more involvement of field, regional bureaus, and LDC professionals.

-- Should lead to more explicit recognition of resources in other countries.

Disadvantages -- Takes time and money.

-- Too much emphasis on near-term demand may result.

-- Tendency to avoid high risk/high payoff investments.

3. View AID requirements for knowledge creation and institution building in two categories:

(a) long-term needs related to the selected sectors of program concentration. In this area, where the need for added or sustained institutional capacity is great, 211(d) has a major role.

(b) needs for knowledge in non-concentration or non-priority areas where leading scholars might come up with something of real potential for the Agency and RLDCs but where it would be inadvisable to foster large institutional capacities. In the case of category (b) an option--in addition to or in lieu of 211(d)--would be to give small grants to individual top scholars in non-concentration areas to produce specific research, or to carry out a series of research projects. (See Part I, Section E, Alternatives and Complementarities to the 211(d) Program.)

- Advantages
- allows AID to keep its "finger in the pie" in areas of possible program potential or importance.
  - avoids creation of costly institutional capacity for which AID has no foreseeable program requirement.
- Disadvantages
- Need controls on program to see that it is not abused by over-use or marginal use.

The first two actions are intended to improve the selection process of grant subject areas. We believe the analyses recommended, in and of themselves, will be of considerable value to the Agency.

If these steps are accepted, it should lead to fewer but more sharply defined 211(d) grants. Given an Agency of declining personnel and resources and more concentrated program interests, fewer grants, focussed on areas of central program needs and priority problems, will likely lead to more use of the capacities produced. At the same time, through small grant support mechanisms, the Agency will be benefiting from top scholarship in non-concentration areas which will challenge AID to revalidate its priorities and continually review new investment options.

#### E. Recommendations

Further strengthening of the sector, sub-sector and/or problem-strategizing and programming processes is recommended leading to a better and more explicit identification of need for strengthening U.S. institutional capacity by:

- using state-of-the-art papers prepared with the assistance of outside U.S. and LDC experts as part of the programming analyses process;
- explicit consideration and documentation of the problem area opportunities, and the actual or potential demand for and supply of institutional capacity here and abroad as part of the analysis of 211(d) grant proposals; and
- use of small grants to selected individual top scholars for work in non-concentration areas of potential interest to AID's program.



ANALYSIS OF GRANT AWARDS BY DISCIPLINES/  
FUNCTIONS, KPAs, AND OUTSIDE INFLUENCE

Discipline/Function	Total Number of 211(d) Grants						Total
	FY 68	FY 69	FY 70	FY 71	FY 72	FY 73	
<b>"Hard" Sciences</b>							
Agriculture	6	5	3	3	4		21
Health	*						
Population	3						3
Science and Technology					2	1	3
<b>Social Sciences</b>							
Education			1	1		1	3
Economics (including agric.)			5		2		7
Political Science, Law, etc.	1	1		2	2		6
Other		1		1		1	3
<b>TOTAL</b>	<u>10</u>	<u>7</u>	<u>9</u>	<u>7</u>	<u>10</u>	<u>3</u>	<u>46</u>
<b>Legislation/Other</b>							
Title IX	1	1		2	2		6
Title X	3						3
Section 220				1			1
Regional/Country Specific	6	1	2				9
Balance (WOH, KPA, etc.)		5	7	4	8	3	27
Minority (non-add)			(1)		(3)	(1)	(5)
<b>TOTAL</b>	<u>10</u>	<u>7</u>	<u>9</u>	<u>7</u>	<u>10</u>	<u>3</u>	<u>46</u>
<b>KEY/PROBLEM AREA</b> (or Sector Policy <sup>1/</sup> /Statements)							
<b>Agriculture</b>							
1. Sector analysis & Ag. Econ.			4		2		6
2. Worldwide Agr. Res. Networks							
3. Water & Tropical Soils Mgt.		3	2	3			8
4. Higher Protein Crop Prod.							
5. Livestock Production					4		4
6. Marketing Systems							
<b>Education and Human Resources</b>							
1. Educational Technology				1			1
2. Non-formal Education							
3. Educational Finance/Planning			1			1	2
<b>Health</b>							
1. Multi-purpose Delivery Systems							
2. Planning and Analysis							
3. Inefficient human absorption of food values							
<b>Nutrition</b>							
1. Non-availability of high-nutrition, low-cost food products							
2. Lack of motivation in power structure							
3. Lack of consumer awareness & concern							
<b>Science and Technology (PD 51)</b>							
1. National policies & instit.					1	1 2/	2
2. National resource assess. & mgt.							
3. Reducing public invest. costs					1		1
<b>War on Hunger (PD 33) (PD 39)</b>	9	2	1				12
<b>Not Applicable (Other, i.e., Title IX, Vietnam, Econ. Policy in Francophone Africa, TA methodology, Export Promotion)</b>	1	2	1	3	2	1	10
<b>TOTAL GRANTS AWARDED</b>	<u>10</u>	<u>7</u>	<u>9</u>	<u>7</u>	<u>10</u>	<u>3</u>	<u>46</u>

\* Approximately \$500,000 included for health in Pop grant.

1/ KPAs not established until FY 1970

2/ Also responsive to PD 48 on Employment and Income Distribution

## 2. CLARIFYING AND REVIEWING GRANT PURPOSE AND ACHIEVEMENT

### A. Description/Explanation of Issue

In a grant relationship, when AID relinquishes a great deal of day-to-day management control, it is critical to eventual success that AID and the grantee understand, agree on, and work towards a common goal. This need for a clearly defined grant purpose is particularly important to gauge the degree of application grant activity is likely to have on Agency programs. It is also apparent at subsequent review stages when conclusions are to be reached (often without the benefit of significant objective data) on purpose achievement--including progress to date--and decisions must be made on changes in purpose or method, extension of grant term, etc. The challenge is to develop clear statements of purpose, and indicators thereof, which are broad enough to encourage innovation, permit flexibility, and recognize the inevitability of change and risk but at the same time establish and communicate a rational framework and direction for grantee activities and professional interface between the two parties. Lack of adequate purpose definition is at the bottom of most informed criticism directed at this program and should be of concern to senior management.

### B. Findings

- There is confusion both within the Agency and with grantees as to the differences between purpose, objectives, and workplans.
- Purpose statements are often very general descriptions of the problem area. This is most prevalent in agricultural economics and some of the "minority" and "Title IX" grants. They tend to be clearer in technically oriented grants and very complex in the education area.
- Statements of objectives are most often highly summarized multi-year input schedules of planned activity, i.e., workplans. It is difficult, in many cases, to determine what are the expected outputs, i.e., results expected of grant financed activity.
- There has been an increasing tendency by RIGC to require detailed workplans as a means of exercising control and forcing more specificity, e.g., review of research projects, planned travel, etc. In many cases, workplans are brief, may or may not cover future activities, and are difficult to relate to planned results. The usefulness of workplans, including the establishment of inter-bureau ad hoc teams to review them, is open to serious question.

- Grant records do not adequately explain the purpose for establishing consortia, panels, or other inter-university mechanisms and their expected role.
- Quantitative and qualitative indicators both at the purpose and output levels are, at best, implicit. Lack of mutually developed indicators can contribute to misunderstanding, confusion, changing AID "signals", and frustration.
- Recent revision of the 211(d) grant annual evaluation process, including new reporting requirements, has decidedly reduced the man-hours required for annual management review and produced much better grant data but has not necessarily resulted in clarification of grant purpose or better professional interface and collaboration. Site visits by AID staff (both AID/W and field) are infrequent in many cases and most communications in the "official" files concern administrative matters or travel clearances rather than substance.
- With some recent exceptions, increasing Agency concerns with overseas linkages, utilization of grantee capacity, networks, and quality of life considerations are not reflected in grant statements of purpose, objectives, workplans or budgets.
- Failure to define or adequately clarify purpose and expected results has contributed to an apparent lack of agreement or confusion within the Agency as to proper grant activity, appropriate funding and adequate timeframe for achievement.

### C. Conclusions

Purpose statements, particularly those in established problem areas, are susceptible to more definitive and up-dated treatment while preserving the basic character of exploration, innovation and flexibility. The job of definition, a difficult but essential process, can be facilitated by the joint negotiation of project status indicators specifically tailored for each grant. The benefits should be many, including: mutual understanding; better communication; improved planning, budgeting and reporting; and clearer direction of grant activity and expenditures.

Indicators may take objective form, e.g., increase in faculty involvement, tenured appointments, LDC student enrollment, library additions, etc., but should not be over emphasized at the sacrifice of quality and substance. Indirect or quality indicators, such as linkages established, impact of research, peer recognition, and utilization of institutional capacity may be more significant, particularly at the purpose level. The important point is that: (a) they are related to the grant purpose (which may differ considerably from grant to grant, e.g., to develop or strengthen a response capability (Utah State), to shift an academic

interest to LDC problems (Yale and MIT), to facilitate the involvement of minority institutions in development (Southern University), to increase the state-of-the-art of development (MUCIA), to provide specialized training (Pace), etc. and, (b) they are tailor-made for each grant and jointly negotiated.

The processes of programming and awarding grants, defining purpose, negotiating indicators, reviewing progress and considering revisions, extensions or phase-outs are closely interwoven with each other. As Part I demonstrates, they also take place in a changing environment both here and abroad and are further complicated by reduced Agency manpower. Initial agreement on purpose and periodic review is, under these circumstances, even more important if for no other reason than to reduce monitoring requirements. This also suggests that, as part of the initial negotiation and award, specific plans should be made to review purpose, outputs and expected results, and indicators thereof with the expectation that, after some experience, changes will be necessary. The specificity with which purpose and the first two-year actions can be outlined in advance will vary depending, to a large extent, on whether the prospective grantee already has a full program underway in the selected problem area or is only in the early stages of problem definition and program development. A suggested evaluation model, subject to adaptation as required, follows:

<u>Approximate Timing</u>	<u>Purpose</u>
18 months from award date	joint review by AID and grantee of grant purpose and definition thereof; identification of grantee's primary approach, concept or mechanisms for achieving purpose; revision of statement of purpose, expected results and indicators as/if required.
3 years from award date	comprehensive review (including peer participation and on-site) of progress, new opportunities, linkages, continuing importance of problem areas, etc., with focus on decision for future support, i.e., revision, extension, or phase-out.
Bi-annually thereafter	AID review, with peer participation if useful, resulting in phase-out or incremental extensions.

If the Agency intends to place more stress on overseas linkages, participation in U.S. and/or international networks or other collaborative arrangements and utilization when awarding and evaluating grants, it must reflect this concern in the grant documentation and terms and adequately plan and budget for such arrangements either within the grant or through

use of other instruments in combination, e.g., the recent grant to Georgia Tech in science and technology was given in combination with a GTS project for grants to "linkage" institutions.

Peer participation should also be instituted, particularly at critical evaluation stages. It can serve to supplement both Agency technical expertise which, given manpower reductions, is or will become very thin in many specialized areas and also to create a constructive or at least more acceptable atmosphere for professional interface and evaluative conclusions.

While indicators, as stressed, must be tailor-made and jointly negotiated, it is possible to develop some general indicators which would be useful to negotiators and evaluators and have the advantage of peer recognition. Some preliminary work in this direction has already been attempted by PPC/DPRE and Practical Concepts, Inc.\* which could be adapted or expanded for use in this program.

D. Management Options/Actions

1. To continue present system.

For reasons explained above, this option really is not tenable unless a decision is made to eliminate or severely curtail the 211(d) program.

2. To emphasize indicators in annual evaluation process.

Such an emphasis, much the same as impact and utilization is now stressed in the annual research reviews, would certainly help, would build on existing processes, and would not require much, if any, additional work by technical staff. It does, however, have several disadvantages. In the case of new grants, it postpones the problem. For existing grants, the exercise may be treated perfunctorily by busy AID staff and viewed as bureaucratic by university officials. Application would be uneven and would not necessarily be integrated into the total award, implementation, review, and revision/extension/phase-out process.

3. To design new and comprehensive guidelines for clarifying purpose.

This would involve (a) strengthening the programming and the award process to emphasize joint negotiation of purpose, outputs and/or expected results, and grant status indicators, (b) requiring joint review of purpose definition, indicators, etc., approximately 18 months after initial grant award,

-----  
\*See Progress Report on "AID Use of Development Indicators", dated May 1973 prepared for TAB by PCI.

and (c) providing for a comprehensive review at the end of three years and bi-annually thereafter to review progress, reassess importance, and develop recommendations regarding expiration, phase-out or revision.

The advantages of this approach are self-evident and it could be readily adapted to a new "grant progression concept" suggested in Part I and under the "grant extension" issue. On the other hand, it will require manpower and skills, now in short supply, to develop the guidelines and system revisions and also require additional time and effort on the part of Agency management and technical staff.

#### E. Recommendations

A comprehensive approach is recommended. First priority should be given to the development of quantitative and qualitative indicators of purpose achievement, including linkage and utilization expectations, as a foundation for "comprehensive reviews" of grants up for extension, revision, or phase-out within the next two years. This should be followed by revised instructions on preparation of "Project Summary" proposals and evaluation which emphasize joint negotiation of grant purpose statements and indicators thereof and periodic review.

### 3. SELECTING GRANTEES

#### A. Description/Explanation of Issue

The selection process is one of the most critical steps and is frequently questioned by regional bureau and field personnel as well as by universities themselves. Criticisms include that selection: has been done without adequate preparation and/or knowledge of the strengths and weaknesses of competing institutions; has not always resulted in involving the best university; has often been made for political or other "non-development" purposes; and so on. Because of these undercurrents of dissatisfaction in some quarters and the importance of good selection to the likelihood of eventual grant success, selection has been chosen as an issue warranting senior management review.

#### B. Findings

- With very few exceptions, the selection process has resulted in grants to institutions which rank very high in competence in the subject area.
- With few exceptions, grants have been made to institutions with a high level of commitment to international development problems.
- Selection of grantee institutions is a more difficult process when dealing with new areas, e. g. , non-formal education, or problems not normally the concern of U. S. universities, e. g. , tropical soils, or when the grant purpose is indirect in terms of its ultimate impact on LDCs, e. g. , Title IX type activity and TA methodology.
- Grants have not been awarded, to any discernible degree, with objectives other than development as the principal criterion. There is, however, a rather widespread assumption that non-development factors are dominant - both within and without the Agency - and within groups/ persons not involved in the selection process.
- The practice of inviting Congressmen and/or Senators to announce the award of a 211(d) grant to an institution in their district or state tends to reinforce the opinion of those who believe that the criteria are largely political.

- The selection process for minority institutions has had mixed results - in most cases producing deeply committed grantees - but also indicating need for a better understanding of the strengths, weaknesses and potential of these institutions to work in LDCs.
- The process of selection of grantees is not widely enough understood in AID's geographic bureaus, in other AID/W central offices, and is almost totally misunderstood or otherwise the subject of general ignorance in field missions.
- Evidence of misunderstanding or ignorance of the selection process was also indicated on the part of some grantees themselves.
- Project documentation - including RIGC proceedings and minutes - does not usually reveal the actual or full process.
- Official project criteria as they relate to selection of a specific institution include:
  - . that a potential already exists in the institution to produce the work desired, including the relevant technology and capacity to pass it on to others.
  - . that the institution shows promise of bringing a multi-disciplinary approach to the solution of development problems.
  - . that the institution will commit itself to the development of a proposed institute or center of competence as an integral part of the educational or research institution's structure and academic or research life.
  - . willingness to respond to AID requests (through contracts or otherwise) for expert personnel, training, consulting and research services.
  - . that the institution's grant proposal must reflect the long-term nature of the program by (a) including at least a five-year projection of intended accomplishments, (b) potential long-range future for the activity in the planning of the institution and (c) plans for future non-AID sources of support.

The above criteria, which are taken from M. O. 1018.1, have been adapted here to apply to selection of a specific institution. There can be some confusion, as the criteria for identifying the need for a 211(d) project and subsequently selecting a grantee have not been clearly distinguished.

### C. Conclusions

It is clear that if an institution has been selected for reasons other than its commitment to international development needs as well as the existence of fundamental strengths in the subject area for which the grant is made, the achievement of grant purpose will be plagued by a poor beginning from which it is not likely recovery can be made in the five-year duration contemplated for most grants. While the evidence we examined indicates no serious problem in this area as far as actual selections have been concerned, the selection aspect of the 211(d) process is increasing in importance as resource availabilities decline. Indeed, if a good problem and the right institution are selected, the pay-off will likely be high.

There is a need for the development of selection criteria which: (a) relate directly to the selection of an institution; (b) can serve as a checklist for Agency-wide use; and (c) reflect the evolving changes in program rationale.

There is also a need for more formalization of the selection process although we are not suggesting that the same procedure is necessary or even desirable in every case. To the extent useful and feasible, outside participation should be encouraged. This could include recognized experts from non-competing sources, both outside the Agency and, where available, from other AID/W offices and USAIDs.\*

Also, a wider range of other AID interest group involvement can result in earlier identification of potential linkages and end-users, and better understanding of the purpose, potential value and possible implications of a regional or country-specific nature. For these reasons, consideration should be given to the selected participation of officers concerned with program planning and management, e.g., program officers and Assistant or Deputy Mission Directors, as well as technical staff. A similar recommendation, for essentially the same reasons, has also been made for participation in the identification of need process.

---

\* While the responsibility for final selection should remain with the Assistant Administrator for Technical Assistance, the practice of having all 211(d) grant agreements signed by the Administrator no longer seems necessary.

Last, but not least in this respect, is the need for better documentation of the actual process used, the results thereof, the reason for the specific selection, and the inclusion of such data in the official files which should be readily available to grant monitors, auditors or others who may, at some later date, need to review such information.

There is a belief - both in and out of the Agency - that some of the minority institutions selected or under consideration are likely to be incapable, because of an inadequate base, to develop sufficient institutional competence to work effectively with LDC institutions within the near future, i. e., five years or that some may lack a genuine interest and/or commitment to the LDC scene as part of their own institutional development. Only five grants (one very recently) have been awarded to minority institutions. Therefore, presenting a judgment on this question is difficult. An exceptionally strong professional commitment was observed among some of the grantees included in the field sample. There is no question that the leverage effect of these grants has been unusually strong since these institutions receive few outside grants. On the other hand, the fact that graduate programs are not offered in some minority grantee institutions and that the capability and desire for international service has not yet matured in these same institutions tends to create an impression that grants to minority institutions will have little impact on LDC development.

What is clearly indicated is the need for some different criteria in selecting minority institutions. For example, the criteria of previous commitment to the international dimension in general, and LDCs and AID specifically, cannot be fairly applied. On the other hand, providing grants at the undergraduate level or where a legitimate graduate level base does not yet even exist, can jeopardize the rationale and image of the 211(d) program. This is true even when such universities are associated with other institutions in a multi-institutional endeavor, a technique we applaud, as such an approach depends on high-level and frequent professional interaction. Providing grants at the undergraduate level is also unnecessary as there would appear to be ample opportunity to work with minority institutions at the graduate level, providing the Agency increases its knowledge base about such institutions.

#### D. Management Options/Actions

1. To develop and distribute throughout the Agency, a checklist designed for the selection of grantee institutions, given the previous Agency determination of program need. A prototype, which reflects the

changes in program purpose and approach already suggested, is provided here for staff consideration:

Criteria for Selecting 211(d) Institutions

a. Existing competence and/or interest in the relevant problem area by faculty(ies), department or school as demonstrated by:

- Core of experienced senior personnel available.
- Evidence of significant congruence of faculty and AID interests in problem area.
- Relevant curriculum, research and specialized training - past or present.
- Peer recognition of competence.
- Past or current work in problem area with LDCs, AID and/or other donors - or domestically.
- Quality and standing of person(s) assuming leadership for grant, including managerial ability.
- Willingness and/or potential to tie into network of similarly concerned institutions on the international scene.
- Conceptualization of proposal and time-frame for achievement.

b. Commitment of university to the international development scene as demonstrated by:

- Past and/or current performance on AID and/or other donor financed projects.
- Established linkages in LDCs.
- Participation in inter-disciplinary programs, research, etc. - both intra- and inter-university.
- Significant use of resources in the international field generally, e.g., faculty, curriculum, research, library and interdisciplinary programs.

- Institution sees, in proposed grant, an opportunity to broaden and improve the quality of its present involvement in international development.
- Caliber and interest of faculty in related subject-matter fields.
- Adequate research resources in fields relevant to development.
- Admittance and special treatment of foreign students, particularly from LDCs.
- Problem area is relevant to institution's domestic educational objectives.
- Willingness to make appropriate faculty available and without penalty to career advancement.
- Extent it has set itself up administratively to handle overseas contracts.
- Policy and other moves taken to integrate overseas and home campus activities.

c. Receptive to long-term involvement in assisting and working with AID, LDCs and other interested institutions within selected problem area as demonstrated by:

- Responsiveness to AID requests for assistance, including willingness to enter talent-sharing arrangements.
- Willingness to enter shared-cost arrangements.
- Sensitive to collaborative and joint problem-solving mode and need for new knowledge and approaches in diffusion of information and technology.
- Interest in quality-of-life considerations and special requirements of RLDCs.
- Interest in skills of concern to AID, e.g., sector analysis, project design and evaluation.

These criteria, like all guidelines, will have to be applied with judgment to specific situations. They will require considerable adaptation when dealing with problems which are new to the U. S. academic scene. As already discussed, in the case of minority institutions, higher or lower weights will have to be given to specific criteria. The final test, however, has to be the institution's ultimate ability and willingness to deliver, i. e., to assist LDCs in the solution of priority development problems selected by the Agency as appropriate areas of U. S. concentration.

2. In addition to providing an updated and specifically designed checklist, the selection process should be more structured by (a) providing for wider Agency and outside participation and (b) better documentation on the actual steps used in each case and results thereof.

3. Special selection criteria should be adapted for minority institutions which (a) do not unfairly exclude them from eligibility but (b) also result in awards to those institutions whose projected ability to contribute to the joint solution of LDC problems is highest.

#### E. Recommendation

It is recommended that TAB take the following actions: (a) adopt an updated checklist of selection criteria to be used throughout the Agency; (b) provide wider participation in and better documentation of the selection process for specific grants; and (c) develop special criteria for minority institutions which results in the selection of those most likely to contribute to the solution of LDC problems.

#### 4. UTILIZATION

##### A. Description/Explanation of Issue

Section 211(d) authorizes grants to U.S. universities "for the purpose of strengthening their capacity to develop and carry out programs...." (emphasis added). Regional Bureau representatives on RIGC have increasingly demanded that utilization (usually in the field) be the ultimate measure of grant success. The Assistant Administrator for Technical Assistance has given utilization - both in research and 211(d) projects - a high priority.

The basic issue, now, is "What ought AID's expectations and requirements be for utilization of grant capacity and competence in overseas development issues and programs?" What pattern(s) of utilization should AID be emphasizing and what are the indications of success? Given the considerable range of opinion on these questions, how should the term be defined?

Utilization is closely related to "Linkages" which is the next issue discussed in this report. Utilization has been interpreted here as the broader concept, involving all use of capacity. Linkage is used to refer to specific structured or institutionally-patterned type of relationships, i. e., a sub-set of utilization.

##### B. Findings

- Most U.S. institutions already had a fairly substantial pattern of overseas involvement prior to award of a 211(d) grant. Among the 45 grants reviewed, the team noted 183 such relationships (ranging from LDC students on campus to long-standing services and/or collaboration with an LDC counterpart) of which 22 appear to have been established subsequent to the grant. Although data is thin, it appears that of those, some 12 are planned by the grantees to be of an enduring nature. On the average, grantees have about four important overseas relationships in the grant subject area.
- Usage patterns of 211(d) capacity on a geographic basis are spotty, with many LDCs untouched. Principal focus has been in Latin American and some of the major Asian and African countries with no more than a few 211(d) institutions having

had significant contact with any given country. With the exception of Ethiopia, most RLDCs have seen little activity.

- To date, AID has been largely dependent upon the grantees themselves to report the effectiveness of their inter-actions with LDCs, linkages established, and utilization of capacity.
- Of 246 contracts for Technical Services as of 6/30/72, 104 were with universities which also have 211(d) grants.
- In terms of current AID contract utilization of 211(d) capability as of last April, utilization was good to extensive on 18, small, none or too early on 27 grants. (See Exhibit 1.) The latter category includes several soils and minority grants, land reform, most "Title IX" grants, and Southern Illinois.
- There is some confusion and disagreement as to when and how a 211(d) capability should be utilized. Some view utilization of capacity as an end, the ultimate purpose, i. e., the expected result of several years work and the measure of success. Still others view it as a means to an end, i. e., the effective way to build competence. This difference in viewpoint explains, to some extent, why some missions and bureaus criticize grantees as being unresponsive to the "real world."
- While it is clear that U. S. universities; can not and are not about to expand infinitely their overseas activities, on the whole most grantees believe they have not reached their utilization capacity. In some areas, they fear they are creating a wasting asset. By and large, universities favor utilization of their capacities. They consider they have a moral obligation (not legal since very few grant agreements mention utilization in any form or fashion) to respond to AID requests whenever possible. They would like this, however, to happen as a part of the planned process of growth and not always on an ad hoc basis.
- At times, AID appears to strike a benign mode on increasing utilization, or even places obstacles in the way and in a few cases - actually goes out of its way to prevent a grantee from working in a particular country. Some illustrations include:

- . USOM Thailand's refusal, several years ago, to permit UNC (a population grantee) to continue and strengthen its local institutional ties.
- . The scolding of University of Hawaii, John Hopkins and others by SER/CM for attempting to use 211(d) funds in any form for "soliciting new business."
- . An apparent "hands off" attitude by the SA Bureau on Southern Illinois after grant award.
- . Lack of adequate briefing by LA Bureau to their USAIDs on background and purpose of UCLA education systems grant and subsequent low rate of utilization.
- . Field resistance to any work in "its country" which is not related to specific country goals as identified by the Mission - and/or not under its direct control.
- . Infrequent and only recent attempts by TAB and other AID/W offices to make specific plans for increasing utilization, e.g., workshops, field demonstrations.

In many cases, particularly in the agriculture and law and development grants, the responsible AID/W technical offices were well acquainted with the activities and capabilities of their grantees although as stated above, this knowledge was not usually available or readily accessible to key officials in the regional bureaus and field missions. In a few cases, however, knowledge, interest and/or technical expertise seemed to be lacking and effective Agency "liaison" was almost non-existent. One grantee complained "We've never had a request from AID/W for publications, and yet some of our studies are highly relevant to AID. We also had no response from AID when we went to the trouble of setting up a regional one-year MA program tailored for people like AID officials."

There is a serious lack of information, misinformation, and just plain ignorance about the program and individual grantees, in spite of the efforts started January 1972 by TAB to make the 211(d) program better known. This is particularly true

in missions but is also widespread in AID/W offices. Regional technical assistance offices also have been largely ineffective in informing geographic backstop offices and missions where 211(d) resources could fit into country programs or other LDC needs. In its overseas fact-finding trips, the team almost invariably found that its first task in a mission was to explain the program. The 211(d) directory (issued June 1972) was received in most missions but rarely used and sometimes was found buried in a pile in some program officer's bookcase. Only one mission of the eight visited had sent the directory to their government counterparts - and this was apparently a reaction to our planned visit. In those few cases where some mission personnel (usually technical) knew about the 211(d) program, their knowledge was generally restricted to the few U. S. universities active in their country and technical area. In Afghanistan and Pakistan, where earlier in the year senior TAB staff had visited the mission for the purpose of facilitating better coordination, there was still a big blank on the 211(d) program.

- After some extensive briefing as to the history, purpose and content of the 211(d) program, receptivity in the missions visited was generally good or better, particularly at the technical level. The one exception was a mission with a large program and staff. The obvious key is the interest placed by the Mission Director on linkages with agency activities which are not solely country-specific.
- Within the past two and a half years, revisions have been made by TAB in the instructions for preparing grant proposals and annual reports designed to sensitize grantees and project officers to the need for LDC linkages and eventual utilization of increased competence.
- The first joint attempt by TAB, a field mission and a grantee to set up a regional demonstration (fisheries) to facilitate utilization was aborted by the host country.
- There is little evidence that RIGC or individual bureaus have assumed any positive or continuing role to inform missions of 211(d) capabilities, facilitate linkages or take any other actions which would lead to utilization. In awarding contracts, there is most often no apparent preference or even special consideration given to 211(d) grantees.

The FY 1974 DAP instructions called for stronger links between individual country programs and the Agency's global attack on key development problems. Attention of the field was particularly directed to special resources of knowledge and expertise created by the central research and 211(d) programs. Mission recommendations were sought regarding how existing 211(d) grants could be made more relevant to country program. The Team saw no evidence of response. Other instructions such as AIDTO CIRC A-50 on science and technology and the "FY 1975 and Beyond" DAP guidelines (see Appendix D, especially pages 16-26 and Part V), call for similar efforts.

### C. Conclusions

Importance of Utilization. The tendency to view utilization as the sole indicator of success for all grants and, further, to judge such utilization almost exclusively in terms of service to USAIDs and only through them to host countries, is, in our view, short-sighted and self-serving. Notwithstanding the important caveats included herein (and as recommended in that section of Part I concerned with a new rationale for the 211(d) program), in the awarding of new grants and the extension/revision of existing grants, utilization, i. e., a relevant response capability in a priority development problem area, must become the sine qua non. We mean, however, a comprehensive capability involving on-campus services such as training, collaborative research with LDCs and other U.S. institutions, and both short and long-term overseas services, whether funded by AID, other donors or the recipient country or institution itself.

Why Usage Lags. In spite of occasional outstanding efforts by grantees, with and without AID assistance, the utilization pattern is not as significant as it should be. There are a number of reasons for this, which add up to the obvious but not always recognized fact that utilization just does not usually happen by itself, especially with universities (or particular faculties) new to the business of development, in new areas where the significance or benefits are not yet generally perceived, and where institutional linkages are necessary. Gaining agreement on what ought to be an appropriate pattern of utilization would seem to be basic to seeking a way of gaining better acceptance for and benefit from the program. Some factors identified which contribute to poor or slow utilization include:

- lack of early and sufficient attention to eventual utilization in statement of grant purpose, terms and conditions, work-plans and success indicators.
- lack of sufficient incentives and means for grantees, USAIDs and LDCs to seek earlier and more active linkages and overseas use of capabilities.
- inadequate flow of information between grantee and AID and within AID.
- ignorance of program purpose, content and grantee capabilities particularly in missions, LDCs and other donors.
- indifference or even hostility on the part of some AID units and officials, coupled with a "theirs" and "ours" syndrome, i. e., let TAB do it and/or just stay out of my pasture.
- inability of many LDCs to take advantage of a fairly sophisticated relationship.
- unavoidable disruption of long-term or carefully nurtured relationships due to political or other causes, e. g., India and Chile.

There is a disturbing tendency in AID to regard 211(d) grants as little more than misguided benevolence on the part of the Agency. There is also little indication that AID staff feel any responsibility for utilizing the services of grantee institutions in preference to any others. While there is an implicit responsibility to the institution to make use of the capabilities which it has produced with our help, there is an explicit responsibility to the Agency to realize the large return possible on its investments. Currently, neither of these responsibilities seems to be taken seriously. Indeed, it is significant that it is felt necessary to recommend modest measures whereby grantees may even have the opportunity of making their wares known to AID Missions and LDC officials.

How to Increase Utilization. While TAB has and should continue to exercise overall management concern, the Agency as a whole must actively assist in increasing actual and potential utilization. A number of steps can be initiated by TAB - which usually will require close

regional bureau/mission collaboration - such as providing direct grants to key linkage institutions, facilitating workshops and demonstrations, removing disincentives (such as the current practice of disallowing field trips for the purpose of acquainting USAIDs and LDC institutions with service capacity), providing additional grant authority and funds to facilitate direct utilization, involving field missions more deeply and earlier in relationships with grantees focusing on technical interests, and giving higher priority to utilization in comprehensive mid-term evaluations.

At the same time care must be taken that utilization is properly balanced in terms of grant purpose, is appropriate to varying conditions, and is useful in joint planning for and establishing reasonable expectations which recognize such variables as:

- complexity of problem and risk involved, e. g. , knowledge gaps.
- reasonable time-frame for creation of response capability in terms of amount of grant and other funds available and size of beginning base (including any special considerations for minority institutions).
- recognition of problem by LDCs, i. e. , expected near-term versus potential demand.
- existence of substitute or supplemental resources, e. g. , consortia members, other U. S. institutions, other AID contracts in same or related problem area.
- eventual or expected consumers, e. g. , development practioners, LDC students, LDC institutions (public and/or private), international network centers, etc.

Finally, the Agency must recognize (as pointed out in Part I and several issue statements) that both utilization of capacity and the maintenance of an institutional response capability available to AID cost money and require joint effort.

Financial incentives will not be sufficient in and of themselves. As already stated, further programmatic emphasis on utilization in appraising grant proposals and in reviewing grant progress is necessary. In most cases, contact with the LDC scene will be the university's modus operandi prior to the grant and will have been a factor leading to the award of the grant. In these cases, early utilization of the university's capabilities will merely be a continuation of past patterns, hopefully

heightened by the resources made available under the grant. In those few cases where new overseas capabilities are being created almost from scratch, early establishment of relevant linkages and at least preliminary utilization through field visits, field research, intake of LDC students and the beginning of collaborative research will be even more necessary to assure that the grantee is on track, creating a program of relevance to development.

With all this said, it must be added that the capabilities created under 211(d) will find a ready market in only part of the developing world. The existing pattern of utilization is instructive. There is no reason to expect drastic changes in the relatively near future. The RLDCs are, and likely will be, by-passed by most 211(d) capability which is problem-rather than institution-oriented; RLDCs still require institutional development, i. e., institutional creation through long-term contact with advanced nations. Small LDCs (except for those geographically close to the U. S. ) also will most likely be by-passed by grantees as they are not attractive enough to warrant career specialization. In both cases, AID will have to provide specific program approaches probably through research and technical service contracts. One aim should be to provide better information on what are the distinctive problems of RLDCs because at this point there is a great deal of ignorance on the unique characteristics and just what can be done effectively by outside agencies. The developing world that remains - the larger LDCs - holds most of the poor people of this globe and is still a very worthy area for U. S. university concern.

#### D. Management Options/Actions

There are a number of steps, some new, others requiring additional emphasis and funds, which can be taken to increase utilization of 211(d) grantee's institutional capacity. The existing system, which emphasizes grantee reporting on utilization, is not adequate since it places almost the sole responsibility on the grantee and/or TAB whereas effective utilization will require joint action involving all elements of this Agency. These options and actions may be taken separately or in some sequential fashion but a comprehensive approach will be necessary to obtain maximum return on Agency investments, both actual and planned. They include:

1. Build the probability and potential for utilization of grantee capacity into the project summary statements proposed by the sponsoring technical office for review by RIGC - or substitute forum - and AA/TA, including proposed actions to facilitate same.

2. Include in grant statement of purpose, expected outputs, and jointly negotiated expectations of utilization and indicators thereof.

3. Make effective and potential utilization (and clear evidence thereof) a prime issue in the mid-term comprehensive evaluation leading to eventual decisions on grant revisions, extension, and/or phase out.

4. Include 211(d) grants preferably as part of a package of AID relationships with an institution concentrating on a key problem, e. g., a centrally funded research project and/or field funded TA contract(s).

5. Particularly where a grantee has no other contractual or programmatic grant with AID, provide grant terms, conditions and funding for incentives and means to facilitate utilization. This could include, for example, more funds for and less restrictions on travel, sponsorship of workshops, seminars and demonstrations, direct grants to jointly selected LDC institutions to establish and/or sustain linkages which are expected to lead to significant utilization, more collaborative research, etc.

6. Establish contracting guidelines which assure that 211(d) grantees are given full consideration in all AID contracts contemplated in the subject field/problem.

7. Involve selected field representatives at the earliest stages of grant programming, planning and selection - as well as subsequent reviews.

8. Mount an agency-wide and continuing effort to familiarize all elements and particularly the field with the purpose of the 211(d) program, including, where appropriate, other donors, international and LDC institutions. Illustrative steps might include:

- more travel to missions by grantee personnel, grant liaison officers, and regional bureau staff - separately and together - for the specific purpose of communicating, face-to-face, research and grant activity and learning first-hand about program and research needs.
- holding workshops in the field and inviting field personnel to participate in on-campus activity including orientation visits, guest lecturing, evaluation reviews, etc.

- more travel specifically by TAB, perhaps by mapping travel so that experts knowledgeable about wide areas of central bureau resources visit all missions once or twice a year, i. e., each mission would be targeted for updated briefings on the range of central resources available in general and to the country's program in particular.
- emphasizing importance Agency gives to field assistance in utilization at annual program reviews, regional conferences, and similar forums.
- sponsoring workshops in the United States which involve grantee(s) and other interested U. S. institutions, AID/W and field staff, LDC professional and other donors on problem area, and emphasize needs and utilization.
- distributing annual abstracts on grantee activity, progress and plans.

9. Provide incentives for field collaboration and assistance such as supplemental resources for country-specific problems, recognition of individual contributions, opportunity to participate in program decisions regarding specific grants, etc.

10. Give priority attention to the prompt and adequate servicing of field requests for information, consultation, etc., regarding grantee activities.

#### E. Recommendation

Given the increasing importance of utilization in the developing rationale of the 211(d) program, the Agency as-a-whole, with TAB leadership, must accept a joint responsibility with grantees for facilitating and maximizing effective utilization of their capacity. A comprehensive series of actions has been suggested above, which in summary, include:

- Increased emphasis and planning for utilization of institutional capacity in the programming, selection, negotiation, and evaluation processes.
- Establish incentives to grantee and means for utilization by providing supplemental contracts, special grant terms and funding and field assistance.

- Develop contract guidelines which assure adequate consideration of appropriate 211(d) institution(s) in all AID contracts planned in problem area.
- Mount an Agency-wide, continuing effort to publicize program purpose and content, encourage linkages, reduce misinformation and unfamiliarity, and facilitate field participation.
- Provide incentives for field collaboration and prompt servicing of field requests.

AID CURRENT CONTRACT UTILIZATION OF 211(d) INSTITUTIONS \*  
by General, Field and Specific Grant Purpose

<u>Field/Institution</u>	<u>Date of Grant</u>	<u>Agency Goal</u>	<u>AID Contract Usage</u>		<u>Minority</u>
			<u>General</u>	<u>Specific</u>	
Agri. Economics					
Cornell	6/70	KPA	3	3	
Michigan State	6/70	KPA	1	1	
Virginia State	5/72	KPA	3	5	X
Southern	5/72	KPA	3	2	X
Iowa State	6/70	KPA	3	2	
Minnesota	6/70	KPA	2	4	
India-Agriculture					
Illinois	5/68	WOH	2	2	
Pa. State	5/68	WOH	3	3	
Ohio State	5/68	WOH	2	3	
Kansas State	5/68	WOH	2	3	
Tennessee	5/68	WOH	3	2	
Missouri	5/68	WOH	4	3	
Water Management					
Arizona	5/69	KPA	3	2	
Colorado State	5/69	KPA	3	2	
Utah State	5/69	KPA	2	3	
Tropical Soils					
Cornell	6/70	KPA	3	2	
NCSU	11/70	KPA	2	2	
Puerto Rico	8/70	KPA	3	4	
Hawaii	11/70	KPA	3	4	
Prairie View A&M	6/70	KPA	3	4	X
Livestock					
Texas A&M	6/72	KPA	2	2&5	
Tuskegee	6/72	KPA	3	3&5	X
Purdue	6/72	KPA	2	4&5	
U. of Florida	6/72	KPA	2	3&5	
Aquaculture					
Auburn	6/70	WOH	3	1	
Rhode Island	5/69	WOH	3	3	
Land Tenure					
Wisconsin	4/69	WOH	2	4	
Health/Population					
UNC	5/68	Title X	1	1	
Michigan	6/68	Title X	2	2	
John Hopkins	5/68	Title X	1	1	
Law Development					
Stanford	5/71	Title IX	4	4	
Yale	6/69	Title IX	3	4	

\*Does not include prior contracts which expired before 6/30/72, if any, see key on next page.

Exhibit 1 (cont'd)

AID CURRENT CONTRACT UTILIZATION OF 211(d) INSTITUTIONS

by General Field and Specific Grant Purpose

<u>Field/Institution</u>	<u>Date of Grant</u>	<u>Agency Goal</u>	<u>AID Contract Usage</u>		<u>Minority</u>
			<u>General</u>	<u>Specific</u>	
Comp. Legal Studies					
Iowa	9/71	Title IX	4	4	
Duke	6/71	Title IX	4	4	
Hawaii	10/71	Title IX	3	4	
Econ. Soc. & Pol. Dev.					
Southern Illinois	6/69		3	4	
Michigan	(11/69)		3	2	
	(6/72)				
MUCIA	4/71		4	4	
Tufts	(5/68)	Title IX	3	2	
	(6/70)				
Educational Development					
Florida State	4/71	KPA	2	2	
U.C. Berkeley	2/73	KPA	4	5	
UCLA	6/70	KPA	3	4	
Science & Technology					
MIT	10/71	P.D.	3	4	
Cornell	9/71	P.D.	3	2	
Ga. Tech.	2/73	P.D.	4	5	

KEY:

- 1 - Extensive use
- 2 - Average or good use
- 3 - Small use
- 4 - No use
- 5 - Too early

## 5. LINKAGES

### A. Description/Explanation of Issue

In the previous section, the concept of utilization was discussed. This section discusses one formalized pattern through which utilization occurs. Other patterns are important but have not received the attention or concern that linkages has. Naming prospective linkages is an important part in applying for 211(d) grants; in recent years, linkages associated with 211(d)s have been reviewed with great care; the Agency is giving linkages and the more organized pattern of linkages, i.e., networking, great stress in its theory of how knowledge should be transferred to LDCs and, in general, the topic plays a current and important role in assistance planning in the Agency. For these reasons it was felt important to investigate this method of institutional development and utilization and to attempt a clarification on:

- (1) What are linkages? How do they operate, i.e., how in practice are linkages created, operated and maintained?
- (2) How important are linkages in the development of U.S. institutional capacity? Is this an effective method through which the capabilities of 211(d) institutions are developed and eventually utilized? How widespread is the pattern of linkages and is linkage theory applicable world-wide?
- (3) If AID desires to promote more and better use of linkages on one-to-one links, through consortia and/or through networks, how can such linkages be fostered?

### B. Findings

Up until 1971, both utilization and linkages were not stressed. Since then, linkages and other potential mechanisms of utilization have been given a high priority in the awarding of grants. Linkage plans are the second consideration, after the grant subject area, made in selecting grantees. In the grant summaries requested by grant-proposing offices, the following information is requested:

"Describe the type of linkages with other U.S. or LDC institutions; (show specifically linkages with U.S. minority institutions) show specifically linkages with LDC institutions and non-minority U.S. institutions, if any..." (Memo TA/RUR to all bureaus, 2/2/71).

In recent years, no other type of relationship pattern has been asked for or stressed in discussing grant proposals. This pattern of emphasis is repeated in grant reviews and in the AID technical assistance literature in general.

Despite this stress, there is little explicit agreement on what linkages are and how they should operate. Definitions range from using the term synonymously with 'utilization' to using it inter-changeably with 'collaborative research' or 'networkings'. This lack of precise understanding of the concept of linkages was creating some confusion among grantees and in the programming and monitoring of grants.

We have identified these characteristics of a linkage:

- (1) It is a relationship between institutions. It is more than a relationship between two people, although often it is centered around the relationship of department heads.
- (2) It arises from a past series of inter-personal relationships which have become formalized through the willingness and/or commitment of the two sides of the link to have an inter-institutional relationship on a continuing basis. In this sense linkages and linkage creation are often associated with institutional development efforts. Linkages are more often created out of prior or current contractual relationships than out of infrequent collaboration from, for example, 211(d) relationships.
- (3) The most common types of linkages -- those between U.S. and LDC universities -- essentially have been an unequal relationship. Linkages have rarely been based upon a parity relationship. The essential nature of the types of links AID creates within the 211(d) concept also has been an unequal partnership between a knowledgeable U.S. institution and an LDC institution needing knowledge. The U.S. institution is applying knowledge outward and the LDC institution is expected to apply its knowledge inward. The dynamics of this unequal but often unavoidable relationship are most easily seen when those parties in the linkage are deciding on the design or method of approach to a problem-solving situation. It is usual for the U.S. linkee to make or at least initiate the basic professional decisions in these and similar cases.
- (4) Links are prone to collapse unless they are rather frequently utilized. The problem of subsidy of linkages at each stage or part of the link is important.

(a). One-to-one linkages

We have previously defined 'utilization' as use of a university's capacity and competence in helping to solve development-related problems. Linkages are one of the two important patterns of utilization found in programs like 211(d). The other pattern is inter-personal relationships. Both patterns

operate in roughly the same way. There is collaboration on research approaches or in carrying out research and there is assistance in meeting the institutional growth problem of the LDC institution. Linkages imply a wider pattern of relationships between two departments or institutions which give assurance that they will outlast given inter-personal relationships between departments. Two examples from the Philippines illustrate the difference: A leading Philippine demographer relies on the advice of a leading University of Chicago demographer. The relationship is primarily between two people. If the demographer moves to another institution, the Filipino said she would rarely communicate with Chicago. Here the bond is between people, not institutions and we termed such cases inter-personal relationships. On the other hand, the University of the Philippines has been a recipient of contract services from Cornell for a great number of years. This has involved a large number of Americans and Filipinos. Cornell's chancellor was scheduled to visit Manila to work out future ties between the two universities. We termed this and similar cases as rather permanent linkages.

It is important to note that programs like 211(d) tend to foster inter-personal relationships arising out of common research interests more than inter-institutional relationships. One reason for this is that there is not enough money in the grant to permit frequent inter-facing with specific LDC institutions, nor is there money in LDC institutions to come often to the U.S. Only when 211(d) resources are coupled with participant training or contracts or programmatic grants or country-specific research funds can such frequent inter-facing occur.

It is clear that often the first steps toward creating linkages are the inter-personal relationships which have developed between individuals in two institutions who have a common bond of interest in a particular subject-matter field. The initiation and fostering of such personal relationships is possibly one of the best ways of building foundations for linkages. The 211(d) program has a great potential for bringing together individuals with common interests and thus can play and has played an important part in this process. It's effectiveness in this respect could be substantially strengthened if steps were taken to increase training of LDC personnel in 211(d) institutions and to bring about closer coordination with the

Participant Training Program. Following such a course would also help to build competence in LDC universities - a matter of great importance if progress in development of LDCs is to be achieved and also one of the major preoccupations of the LDCs.

It is true 211(d) institutions are frequently part of U.S. - LDC institutional linkages. But these linkages, by and large, were established prior to the 211(d) grant or as part of other ongoing contract work. (Assumedly the fact that such linkages existed was part of the rationale supporting the 211(d) grant award.) 211(d) has played an important part, however, in providing the resources to maintain such linkages. That more relationships are not turning into linkages is probably due to two factors: not enough time has passed in several cases to give both sides time to develop a lasting bond and commitment, and AID has not made efforts to subsidize budding or existing links through other technical assistance programs. In recognition of the need to subsidize the link-building process, AID is experimenting with the recent Georgia Tech 211(d) in small industry technology by authorizing an accompanying GTS project to pay the costs of the LDC side of four linkages. This grant is a tacit realization of the need to subsidize critical points of the linkage chain if the chain is to work.

In Asia and Africa, 211(d) grantees have linkages which often are with LDC universities, a situation which also occurs in some cases in Latin America. Here one runs into the problem raised in the previous section, namely, that only a handful of LDC universities influence government development policy in their countries. The others are but a minor factor in advising their governments. This situation brings to mind the need for AID to be more analytic in assessing the value of linkages. The key questions aren't how many linkages exist, but whether linkages are with LDC institutions of development importance or potential and whether the interaction between U.S. and LDC institutions is productive and important.

From field visits, it was clear that linkages are highly desirable in many situations, but are not universally applicable. We were particularly struck by the desire of some very senior overseas professionals to have relationships with selected U.S. academic leaders on specific subjects, i.e., they did not want to be wed to a whole institution, they wanted to pick and choose people in several institutions. Such top-level

professionals know well the international circuit and they are usually associated with a sophisticated institution which can digest and utilize the type of information one gets from research papers, international conferences and other professional interchanges. We were also impressed with the fact that linkages are a fairly sophisticated concept that is not likely to have a wide market in RLDCs. One needs to have an institution engaged in research to have research collaboration with a U.S. institution. This type of advanced teaching and research activity is often not found in RLDCs and hence they are poor candidates for immediate linkages and in fact are linked to very few grantees.

The linkage theory has been strongly pressed among grantees by urging them to form linkages with other U.S. universities in order to focus wider resources, often of an inter-disciplinary nature, on a development problem. AID has pushed such linking both in an unstructured way and through fostering the creation of consortia. It is interesting to note that part of AID's push has been to involve grantees with minority U.S. institutions. Although there have been new linkages with a few white universities, there has been no linking with minority institutions outside of those programmed by AID.

In fact, very few grantees have become linked with other U.S. universities outside of those schools formally linked together as a condition of grants (through consortia). Some universities told us that neighboring universities regard them as competition and that such schools would not dream of contacting our grantees for formal collaborative work or for help in setting research directions. This was stated as true even for some sister institutions in state-wide systems. The feeling among these particular grantees was that the further away a school is, the easier it is to treat a grantee as a colleague, not a rival.

We have little evidence of linkage patterns created through 211(d) with other donors,\* U.S. research institutions (outside of U.S. universities) or European institutions. On the other hand, in at least two cases several grantees have associated themselves informally and on their own initiative, i.e., the cooperation between Yale and Tufts and the Consortium for the Development of Technology (CDDOT) which was a direct

---

\*Although proposed grants to the Universities of Illinois and Puerto Rico in soybeans are the result of multi-donor consultation.

result of a 211(d) grant to the University of Rhode Island and now involves four other universities in research and training in food science and technology for LDCs.

Linkages with AID missions are extremely infrequent. Commenting on this, the International Affairs director of a major grantee said that "Missions are allergic to 211(d)s." Many universities had hoped that their 211(d) would enable them to enter into a relationship with AID where they learned of AID's problems and concerns and would be able to give AID guidance. They particularly wanted to have an ongoing dialogue with major missions, and in some cases with regional bureaus. Some grantees now look upon this as day-dreaming.

(b). Consortia

AID has tried to establish a pattern of inter-university linkages between grantees by making the creation of consortia a condition of grants, or, in some cases, merely strongly encouraging the formation of consortia concurrent with the making of grants. Consortia have ranged from formally constituted organizations in which members collectively decide on the activities of individual members or which undertake collectively certain tasks, to informal groupings of grantees which, in essence, are discussion centers. Since most grantees (28 of 46) are members of consortia of one type or another the success or failure of these efforts becomes significant in judging the success of the entire 211(d) effort.

Briefly, the 7 "consortia" are the following:

1. India Agriculture. Part of the 6 grant agreements in India Agriculture involved the creation of a council (CUSURDI) for the promotion of joint efforts; joint reviews of work plans and progress; and the exchange of information. The council was not very functional during the life of the grants, now largely ended, and has all but dissolved.
2. Soil & Water Development in Arid and Sub-Humid Areas.

This consortium, a stipulation of three grants, was actually formed prior to the grants but by the initiative of AID. It has been marked by close cooperation, collaborative approaches to problems, joint publications and enthusiasm which is apt to generate support for

continuing the consortium after the 211(d) grants terminate. The consortium, CUSUSWASH, has a non-grantee member -- the University of California at Davis.

3. Livestock. As a condition of four grants made last year, a consortium was established. It has had a rocky first year marked by difficulties in organizing, the feeling among three of its members that they alone should have received the grants now split up between four schools, and a generally slow mobilization of efforts.

4. The Tropical Soils Science Group of five grantees is in its third year. Grantees agreed to participate in an Inter-University Advisory Committee to plan symposia, promote publication of research results, avoid duplication of effort among grantee institutions and facilitate exchanges of students and faculty with foreign institutions. Grantees are cooperating, enthusiastic and appear to feel the effort is quite successful.

5. International Agricultural Economics Panel.

Made up of six members (4 1970 grantees and 2 1972 grantees), membership on the panel was a stipulation of the grants. The panel is to help jointly identify problems and is to assist AID through a talent-sharing arrangement. The latter feature has worked, the former has not. There does not seem to be a great deal of enthusiasm for this effort; its substantive role in the grantee's programs is minimal.

6. The Comparative Legislative Studies Consortium is made up of three 1971 grantees and a non-grantee, State University of New York at Albany. This group is marked by enthusiasm, experience-sharing through meetings, a new newsletter and the hope of a continued group association.

7. The Midwest Universities Consortium for International Activities, Inc. (MUCIA), is made up of 5 major institutions and is the most formally organized of all consortia with which the 211(d) program is associated. The Consortium itself is the grant recipient. Its longevity is not in doubt.

In sum, of 7 consortia, 4 can be considered as very successful as of now (involving 12 grantees plus MUCIA) and three have mixed results (involving 16 grantees). The unsuccessful consortia will dissolve, by definition, at the end of their grants. Even among the successful

consortia, however, there is a concern over post-grant survival. Attendance at meetings, for example is usually paid for out of 211(d) funds. When these funds dry up it may not be possible to gather easily for meetings. For this reason, some consortia members urged us to recommend that post-grant funding be made available to help sustain consortia.

(c) Networks

An international pattern of problem-oriented institutional ties (linkages), often including domestic ties, is called a network. Most typically the nucleus of a network is an internationally-established and supported institution. However, two prospective 211(d) grantees, Illinois and Puerto Rico, are being groomed as the center of a developing net. There is a fair amount of evidence that networking can be highly successful in concentrating attention and resources on a development problem. But, as Ken Levick's recent paper on the International Maize Research Network points out, networking is likely to be successful only in certain areas of high interest to both developing and developed countries. This may account for the fact that some centers of preeminent world expertise, now being supported under 211(d)s, e.g. Wisconsin's Land Tenure Center and Auburn's Fisheries Institute, have not yet become international "nerve" centers. Nor perhaps should we expect such institutions to be focal points of networks until international interest develops along with international financial support sufficiently generous to permit the subsidizing of a great many linkages. Surely, however, the test of whether or not to extend 211(d)s should not be based solely on whether the institution can be expected to become a part of a network. Networks have a role in specific subject matters, particularly where there are many national supporting institutions headed by internationally oriented professionals, but networking does not appear to be a generalized solution to international technical assistance problems.

We were not able to substantiate one part of network theory in this study. While most regional and international centers are functioning and performing very useful services (particularly in Latin America), we did not discern that LDC centers linked to our 211(d) grantees were heading in the direction of becoming regional centers. Wisconsin's Land Tenure Center has tried to move its most promising Latin America country

contacts in this direction for many years with only slender success. National centers may evolve into regional centers, but in many cases it will take several decades during which time LDC institutions will either be internally focussed or linked both internally and with developed institutions sponsored in or by developed countries.

### G. Conclusions

Linkages, i.e., institutional are a highly useful pattern for development and utilization of grantee capabilities, but they are not the only pattern and indeed may not be the right pattern in two specific types of situations: (1) the RLDCs where direct grants to local institutions may be necessary (which might later lead to linkages); and (2) in the very advanced LDC institutions where skilled professionals do not usually wish to be confined to one or two foreign institutions but want a pattern of relationships with specific scholars and practitioners.

Linkages do not just start and continue, they require effort and subsidy to survive. 211(d) grants are now providing such subsidy for some institutions. More linkages could be fostered if companion technical assistance programming were created around budding or existing linkages. With declining university-to-university technical assistance contracts, one cannot be optimistic about the general support mechanisms which will be available to create and maintain linkages after 211(d) grants terminate.

While we were not able to gather enough information on the value of linkages vis-a-vis relationships, we believe linkages can serve very useful purposes if the LDC institution chosen has development importance, i.e., if it directly influences development policy. In many cases this will mean quasi-public institutes and ministries rather than universities. AID must concern itself more with the programming and evaluation of linkages to be assured that opportunities to support important linkages are not being neglected. Likewise, unimportant linkages should not warrant AID subsidy. Attention by missions to the opportunity to foster the creation and/or maintenance of linkages of development importance must be increased if this pattern of utilization is to become more widespread and significant.

The consortium approach has had mixed results. Consortia should usually be supported only when there have been prior relationships among institutions and/or when institutions show a genuine interest in linking together in a purposeful association. AID should avoid a shotgun wedding approach to creating them. Attention should be focussed on creating a means of minimally supporting worthy consortia-type activities after 211(d) grants expire.

Networking, in carefully selected cases, is worthy of significant support. In most cases AID should not push for full-blown networks to arrive at more inter-institutional cooperation.

D. Management Options/Actions

1. Depend upon grantees ability to create or strengthen linkages in LDCs without any special provision by AID of assistance in this matter, i.e. continue existing system.

Advantages - requires and allows grantees to use their own devices for finding linkages, thereby increasing the need for innovative and direct commitment to the development scene. Keeps AID involvement at a lower level, reducing "AID interference" in grantee activities.

Disadvantages - tends to permit linkages to develop "where they can" rather than "where they should," i.e., linkages develop more from chance than from design and sometimes fail to develop where LDCs really need linkage with U.S. universities.

2. Selective use of AID funds to foster formation of linkages during and after 211(d) grants where genuinely required in order to facilitate creation of problem-oriented linkages.

Advantages - facilitates creation of linkages in the difficult or unusual case where linkage development, though badly needed, has been slow in developing.

- permits AID (particularly field missions) to have some voice in where linkages should be developed and in what areas.

Disadvantages - requires planning, takes time and costs money.

3. Add, in grant proposal reviews and in mid-course comprehensive reviews, some evaluation of actual and potential linkages, and the worth of these links in terms of grant purpose.

Advantages - explicit recognition of the role of linkages can and ought to play. Possible better involvement of regional bureaus in the review since direct service to country programs will be focussed upon/through expert identification of problems and/or through work on solutions.

Disadvantage - pushes grantees more into a service arm of the Agency: grantees may feel that some of the freedom of the 211(d) grant relationship is intruded upon; tendency to stress linkages in terms of short-range operational problems.

4. Selective emphasis on consortia and networking when a finding is made that this is the most feasible approach. Recognition should be given to the role of relationships and/or unpatterned linkages as equally or more appropriate in many cases. In other words, AID should not have a set pattern of utilization which it seeks to employ on a standardized basis to knowledge transfer problems.

Advantages - more response flexibility in addressing specific problems. Allows AID to cover its bets by using a range of tools to meet specific problems. Permits more U.S. institutions to participate in development

problem-solving and knowledge transfer since no one type of institution, i.e. network center or unlinked research center, will hold a patent on AID support.

Disadvantages - none.

5. Encourage linkages with non-grantee institutions in the U.S. and other developed countries. Where such linkages could result in very high payoffs, subsidization of the costs involved in such linkages to be undertaken by AID, as needed.

Advantages - opens grantee community and creates more resources for development assistance. Might lead to the encouragement of other donors to engage in similar support to these institutions. Encourages grantees to widen their relationships.

Disadvantages - might lead to abuses through junketeering. May not work if non-grantee institutions regard grantees as rivals and if non-grantees haven't the funds to be full partners in such linkages.

#### E. Recommendation

The aim of this recommendation is to broaden the patterns of utilization supported by the Agency and to encourage active pursuit of a variety of options. It is also based on the belief that the process of linking, especially through consortia and networking, is extremely difficult and can only be workable when there is a genuine willingness on all sides and the wherewithall to plan effectively and to participate in such structured relationships. Where these circumstances are found or can be readily established, the Agency should act with vigor. But more common will be circumstances where informal ties, firm interpersonal relationships and one-to-one linkages will be found and here, too, A.I.D. can and should act to foster such ties.

Actions recommended include:

- Selective funding to foster institutional linkages showing particularly high potential for work on priority development problems,
- Increased training of LDC personnel in 211(d) institutions and close coordination with the Participant Training Program,
- Adding an evaluation of the quality and/or potential worth of linkages as part of the grant proposal reviews and mid-course comprehensive evaluations,
- Selective use of consortia and networking, and
- Encouraging linkages with non-grantees among the U.S. and other donor community, with selective financial support if necessary.

6. GRANT REVISIONS, EXTENSIONS AND EXPIRATIONS

A. Description/Explanation of Issue

AID management is now faced for the first time with the question of developing an overall policy on revisions, extensions and expirations, including criteria for application to specific grants, or handling each requested extension on an individual basis.

B. Findings

The Official "project criteria" for 211(d) grants included in M.O. 1018.1, (a) stress the long-term nature of the program and need for planning future sources of support after AID assistance is phased out and (b) define long-term as five years" . . . with the possibility of another five-year extension as a maximum". The assumption that AID assistance could be phased out as other sources of support were developed by the grantee is now questionable as illustrated by the following:

- The large amount of grant funding anticipated under the International Education Act of 1966 and the National Defense Education Act did not materialize.
- Growth patterns, e.g., student enrollment, new activity, etc., are leveling out in most U.S. universities.
- Outside funding is also declining, in some cases sharply, e.g., Hatch Act funds, R&D, foundation grants.
- State legislators are becoming increasingly restive about "large" state university budgets and, in some cases, foreign programs.

A number of extension actions have already taken place or are in process as follows:

Non-funded Extensions

<u>University</u>	<u>Field/Subject</u>	<u>Extension Term</u>
John Hopkins	Population	1 year
Univ. of N. Carolina	Population	1 month
Univ. of Michigan	Population	1 year
Univ. of Illinois	India/Ag	6 months
Kansas State Univ.	India/Ag	6 months
Univ. of Missouri	India/Ag	2 years
Pa. State Univ.	India/Ag	2 years
Univ. of Tennessee	India/Ag	6 months
Utah State	Water	2 years

Funded Extensions/Amendments

<u>University</u>	<u>Field/Subject</u>	<u>Additional Amount</u>	<u>Additional Time</u>
Univ. of Michigan	Econ. Policy- Francophone Africa	\$942,000	2 yrs. 7 mos.
Tufts Univ.	Modernization for Democratic Develop.	\$300,000	None
Iowa State Univ.	Ag. Sector Analysis (Thailand)	\$400,000	None

Requested Extensions--In Process

<u>University</u>	<u>Field/Subject</u>	<u>Additional Requested Amount</u>	<u>Additional Time</u>
Yale Univ.	Legal Systems	\$ 300,000	?
Univ. of Wisc.	Land Tenure	1,500,000	?
Southern Ill.	Vietnam	?	?
Colorado State	Water	300,000	4 years
Utah State	Water	300,000	2 years
Univ. of Arizona	Water	1,000,000	4 years

To date, non-funded extensions have been automatically approved by TAB without reference to RIGC. Funded extensions and/or amendments are or will be forwarded to RIGC for their consideration.

All requested extensions requiring additional funding are grants which are terminating this fiscal year. The University of Rhode Island, which does not appear on this list, also plans to request an extension. If all extensions are granted, additional funding in the range of \$3-1/2 million would be required during FY 1974 -- more than was obligated for "new" grants in FY 1973. No formal action has yet been taken; or at least communicated to grantees.

The issue has already been faced to some extent by the Population Office which is in the process of terminating its three 211(d) grants to John Hopkins, University of North Carolina and University of Michigan. POP concluded that sufficient capacity had been developed at these three universities and that additional institution building funds would not be needed. At the same time there was a recognition of the need to continue funding of some kind in order not to lose the capacity already developed

under the grants. The last (fifth) year -- or in two cases, a non-funded sixth year -- is being used for a transition from capacity building under 211(d) authority to a new phase of maintenance and focussed use under Title X authority and using a new grant instrument. Within this new framework, the universities are to concentrate their efforts on building and strengthening LDC institutions as a means of both focussing the efforts of the U.S. universities themselves and developing LDC institutions which are meaningfully responsive to the population program and policy needs of the country.

The selected instrument for focus and maintenance, a "programmatic" grant which aims at collaboration with LDC institutions in addressing problems they themselves identify as important, is a multi-year University Services Agreement (USA) first developed with UNC in FY 1971. Approximately 40% of UNC's core cost identified for use in international population activities will be picked up. Any actual long-term relationships are to be funded separately. The intent of the arrangement is to tie together core support, project development and institutional development into one overall integrated package. Experience to date has been "mixed" and limited.

Other findings of some impact on this issue include:

- While the purpose of 211(d) is to build a U.S. competence in critical areas, in practice it appears to have been used almost as much to hold together (and/or keep focussed on LDC problems) existing capacities. While both are legitimate objectives, they are very different.
- Building competence in a new and pioneering field, e.g., population, can take more than five years and the momentum can be lost or dispersed if some type of support is not continued -- since there are often no other sources of funds to continue such activity.
- The successful building up of a relevant capacity has not also meant that it can (a) become self-sustaining or (b) be transformed into a readily available response capability for AID. In fact, successful efforts towards self-sustaining funding can actually diminish the response capability available to AID.
- The maintenance of a capability does not usually require the same dimension of resources as capability building.

### C. Conclusions

In considering the first major set of requested extensions now before it, the Agency has the opportunity to (a) shuck off bad and/or low priority investments, (b) reshape specific grants to meet currently

conceived problems, policies, strategies and needs, and (c) give substance to the new 211(d) program rationale as suggested in Part I of this report. For this reason, the need for a general policy on revisions and extensions (which complements a parallel policy on the award of new grants) is critical and, time-wise, of high priority.

The expectation that AID can continue to support indefinitely American university interests in the LDCs on a scale such as it has in the past is unrealistic. In many cases, a withdrawal period should start immediately. On the other hand, it is equally unrealistic to assume that a 211(d) grant automatically leads to an adequate and self-sustaining response capability for AID operational or other program needs.

No matter what the original rationale or expectations, in view of the changes which have taken place in the "development world" since the inception of this program and the increasing scarcity of funds, the Agency has no choice but to apply strictly the rule of need to extensions, revisions, or expirations. We do not mean that the program must be confined to operational or short-term needs or that it cannot be used to demonstrate a response to external requirements, but rather that future 211(d) investments must be carefully calculated in terms of actual or eventual returns to the Agency and, through our or other donor programs, to the LDCs, i.e., the generation of knowledge methodology and quality response capability in the problem areas of Agency concentration and priority. This, of course, becomes even more important as the 211(d) budget base begins to limit funds for new initiatives and new problems, e.g., in nutrition and health.

The Agency also must recognize that it is entering into a period where, in effect, it will be assisting in maintaining, primarily through utilization, a highly selective group of universities which have clearly demonstrated their commitment and competence in a sharply focussed and well-defined priority problem area of continuing concern to the Agency. This recognition would not only become the raison d'etre for any revisions or extensions for reasons other than phase-out, but would require a progressive grant concept to be negotiated when awarding new grants that mixes the development of institutional capacity with expected utilization of that capacity. Illustrative of this approach is a model suggested by one grantee:

- |           |  |
|-----------|--|
| Phase I   | About three years -- 211(d) concept, i.e., development of institutional competence;  |
| Phase II  | Two to three years -- mixed 211(d) plus program grant approach; and  |
| Phase III | Two to three years -- an emphasis on the program, i.e., utilization, with provisions that both university support and anticipated other grants will assure continuity. |

Depending upon the university and problem involved, utilization may be stressed earlier than this model suggests but the point is that eventual utilization be an important grant objective from the beginning and that grant terms, status indicators, and budgets should reflect this fact.

For a variety of reasons, specific contracts, OPEX type arrangements, or short-term grants by themselves are not suitable for maintenance of essential core support -- principally because (a) costs must be directly attributable to the subject project, (b) staff is often fully utilized on the specific task and (c) contracts do not provide the lead-time, flexibility and continuity necessary for project development and mobilizing experienced and quality faculty. On the other hand, mere extension of the original grant is the least effective technique for maintaining capability as it would do nothing to recognize the changing relevance of problems and response to "new initiatives", provide additional focus, or recognize the development of special strengths.

The Agency's operating assumption -- which should be communicated to all 211(d) grantees -- should be that a grant will normally expire at the end of 5 years unless there is a program reason to extend and a decision has been made in the fourth year to do so. In the event extension is necessary for an orderly expiration, such extensions should not be made for more than one year at a time. In these cases, specific phase-out plans should be included in the grant extension amendment. For example, as a final wrap-up, a series of workshops or seminars might be held to discuss results, potential impact on LDCs, etc., to involve interested professionals and administrators from AID (including the field), LDCs, and other donors and U.S. institutions. Provision might also be made for a specific number of man-months to be devoted to visiting selected USAIDs and other interested parties for the purpose of directly explaining the knowledge and capacity which has been generated by the grant. During this period, AID should also give serious consideration to what kind of services, if any, it will be requesting from the grantee through contracts for technical assistance, research, etc. As a part of the phase-out process, the Agency should also consider whether it wants to make a small grant(s) to individual scholars to continue research or other work that shows promise.

In reaching Agency decisions regarding individual grants, it might be useful to ask a grantee to submit, as part of its proposal for extension, a statement which explains the university's concept of institutional development, problem-solving, networking, interdisciplinary approaches, commitment, etc., which can provide a basis for substantive analysis.

Within the context of these conclusions, the following criteria are suggested for application when considering specific revisions, i.e., moving to the maintenance and utilization mode. The order of importance, i.e., weight to be given each factor, will vary with the institution and

problem involved but any specific grant should score high on most points since a comparatively long-term, open-ended and flexible commitment will be involved which will also restrict the amount of 211(d) funds available for newly identified problems. These criteria (and suggested indicators) should also be the primary focus of the on-site "comprehensive review" already suggested under the issue entitled "Clarifying and Reviewing Grant Purpose and Purpose Achievement".

Suggested Criteria for 211(d) Grant Revisions

1. The problem area addressed by the grant is within the Agency's areas of program concentration and priority as currently conceived and demonstrated by:

- direct relation to global strategy statements, KPAs DAPs , and/or policy determinations
- responsive to "new initiatives" and "future" needs
- direct relation to basic IDC development problems as perceived by the Agency (vis-a-vis the needs of development practioners)

2. Grantee activities and/or competence is supportive of Agency policies, strategies, methods of operations, needs, etc., as demonstrated by:

- emphasis on new solutions and approaches in diffusion of information and technology
- active participation in domestic and international interdisciplinary networks of collaboration designed to attack the (subject) problem
- acceptance and adaptation of joint problem-solving approach
- understanding and dealing with "quality of life" considerations
- applicability to special requirements of RLDCs

3. There have been significant results in achieving grant purpose and establishment of a quality response capability as demonstrated by:

- achievement of, or reasonable progress towards, goals for faculty development, curriculum revision, library additions, etc.
- development of relevant new knowledge, methodology, etc.
- extensive involvement and linkages with IDC institutions through student training, joint research, exchange of faculty, workshops and seminars, consulting services, etc., (not restricted to 211(d) funded linkages)

- evidence of significant current and/or potential utilization of capacity by AID, other donors, and IDCs (including "graduate" countries)
  - peer recognition of importance and quality of efforts
4. Grantee is committed to long-term involvement in problem area as demonstrated by:
- past and current record of grantee participation in development activities (both university itself and specific faculty(s) involved)
  - grantee has made serious efforts to obtain alternative sources of financing
  - evidence of significant congruence of faculty and AID interests in selected problem area (including willingness to engage in operational problems)
  - willingness to enter shared-cost arrangements
  - responsiveness to AID requests for assistance, including willingness to enter talent-sharing arrangements
  - pertinence of problem area to grantees domestic and university/educational objectives
  - evidence of interest in and special treatment for IDC students, professionals, government officials, etc.
5. Other considerations which can be germane and important include:
- prospects of supplementing 211(d) funding with specific, result-oriented package, e.g., central or regional research and/or mission funded contracts
  - availability or non-availability of other sources of competence in problem area in relation to probable future demand
  - consequences of non-extension on investment to date
  - external requirements, e.g., Title IX, Sec. 220, minority institutions, etc.

D. Management Options/Actions

The expiration of all grants, except for non-funded extensions, as their original five-year terms are completed is neither possible or desirable. There are, however, three distinct possibilities available

now if management acts with some speed and deliberation.

1. To provide extensions for the sole purpose of a planned phase-out of AID assistance and transition by grantee to a self-sustaining mode. This is a feasible option if AID and other donors can pick up the slack with contracts, etc., and is more painless to the individuals and institutions involved. In a purely self-sustaining posture, however, there necessarily will be a greater emphasis on traditional academic forms of activity and responsiveness to AID technical assistance requests will decline.

2. To provide for simple extension of original grant purpose for another five-year period. This option keeps the grantee in business and would be the easiest to accomplish but the Agency would surrender its best (and perhaps only) opportunity to influence institutional decisions and activities and move it closer to direct work on specific LDC problems. It would also be more difficult to let other grants expire with institutions or areas from which the Agency wishes to withdraw.

3. To provide, after expiration, small grants to selected individual scholars to continue promising research or other work on problems of central importance to AID's program. This could include grants to a community of scholars in several institutions.

4. To adopt a policy and set of criteria which will aid in making individual grant decisions which can lead to: (a) immediate notice of intent to let grant expire at end of current term; (b) intent to extend for express purpose of facilitating a prompt but orderly phase-out; or (c) providing for a transition from institutional development to a new phase of maintenance and focussed utilization of developed response capability in a sharply defined, priority problem areas. The obvious advantage of this approach is that it gives the Agency a maximum range of options to apply to the unique circumstances of each grant.

#### E. Recommendation

Agency policy on extensions should be: (a) in cases where unfavorable decisions on grantee requested extensions were delayed, one year extensions be negotiated which permit an orderly phase-out including the option of small grants to individual scholars; and (b) in carefully selected grants addressing specific priority problems, revisions be negotiated which shift the focus from development of capacity to maintenance and utilization of capacity. In selecting grants in the latter category, the following criteria

(amplified in previous pages) are suggested for strict application:

- Problem area or subject is central to AID priorities
- Significant new approaches/knowledge have been developed
- Adequate progress to date in creating institutional response capability
- Grantee is committed to long-term involvement and demonstrated willingness to shift to utilization posture.

## 7. GRANT MANAGEMENT

### A. Description/Explanation of Issue

Since the 211(d) program involves a unique grant relationship between AID and U.S. universities, it would be useful to analyze and summarize the nature and content of AID's grant management as it has affected the overall 211(d) program. In what ways has Agency management of the grants enhanced or detracted from the achievement of the overall objectives of the program? Can current practices be revised with the specific purpose of enhancing grantee performance as well as Agency collaboration with the grantee?

Grant management is interpreted as encompassing the entire spectrum of grantor/grantee interface, from the initiation of the grant proposal by the sponsoring office, through the five-year grant period, and into the process of expiration, extension, or revision. For convenience, management has been subdivided into three general areas: (a) traditional management activities involving operational matters; (b) programming and evaluation systems; and (c) information dissemination concerned with making AID/W, the USAIDs, LDCs, other donors, and other U.S. universities (networks) aware of the nature and availability of resources developed through the 211(d) program.

### B. Findings

#### Traditional Management Activities

With the creation of TAB, the 211(d) program was given a better program focus and its management has improved. This in spite of the fact that a large portion of the Agency was indifferent or hostile to it. However, as the program grew in size, diversity and importance, the management function became more involved and demanding. Experience progressively demonstrated that traditional concepts and procedures for contract management were unsuited to the management of institutional development grants. However, this was primarily an individual preception, and was not translated into a coherent philosophy or uniform practice.

In attempting to analyze the issue in a constructive sense, it was useful to characterize management activities in two distinct but extreme styles--overmanagement and undermanagement.

- Overmanagement by AID of routine administrative matters is a source of irritation to many of the grantees and AID liaison officers. The official TA/RIG 211(d) files are almost exclusively devoted to exchanges between the Grant Officer

(SER/CM) and the grantee regarding advance approval of such matters as foreign travel, foreign hiring, and, of foreign individuals participating in the work of the program, etc. Often these near-adversary exchanges are the only working material in these files. These approval processes also have been used at times by AID to indirectly control and guide individual research and other grant activity. There is a real question as to whether such "clearances" are necessary. Grant performance does not appear to be enhanced and, in fact, because of the time and trouble involved, the efficiency and effectiveness of grantee performance may be actually decreased without discernible benefit to AID.

Overmanagement has caused confusion on the part of some grantees as to just how much authority they do have within the grants. Thus, in an attempt to avoid criticism, the grantees have sometimes overreacted and submit routine matters for approval which they should decide for themselves, causing additional workload, unnecessary delays, and defeating part of the purpose of using the grant mechanism.

Overmanagement is also a tendency in the budget/accounting area. Most, of not all, of the grantees receive funds from a wide variety of sources which they apply to the various component activities conducted within the subject area. AID frequently becomes engaged in a fruitless exercise with the grantee while attempting to determine both "proper" attribution of funds and detailed accountability of U.S. government monies by detailed inputs. Certain fundamental federal accounting procedures, as well as other terms and conditions, must be followed by the grantee and the Agency has a responsibility to ensure compliance, but they are not intended to be exercised as "program control" devices at the input level.

-- At the other extreme is a pattern of undermanagement, characterized by some grantees as inadequate substantive and professional interface, through absence of technical expertise on loss of interest on the part of AID. In those cases where AID lacks the needed technical expertise, such as fisheries and land tenure, the basis for frequent and/or quality professional interface may be lacking. While this is not a general pattern within the 211(d) grants, it did arise frequently enough to be of concern and warrant attention. There are also at least two cases (UCLA and Livestock grants) where AID has the technical expertise but where it would appear that lack of effective substantive interface and collaboration has arisen from other factors.

It should be pointed out that AID is by no means wholly responsible for this problem. A good many grantees appear to have felt no need for such a relationship until the Agency became seriously concerned about the results flowing from the grants. Indeed, many felt that one of the great advantages of a grant was that they did not have AID "breathing down their collar".

In AID, the professional and substantive interface should largely be the responsibility of the technical officer designated as Grant Liaison Officer. Yet for a variety of reasons, in a significant number of grants, this vital interface is deficient. Grantees visited were particularly insistent on the value and need for more on-site visits. However, one factor contributing to this sense of need is the ever-declining Agency manpower levels. In some disciplines, AID simply either does not have the needed technical expertise or the workload demands placed on the veneer of remaining professionals is such that they often do not have the time to collaborate adequately with their counterpart grantees.

- The Team was frequently told that a set of management guidelines was urgently needed for 211(d) grants. For some technicians, the lack of clear, concise management guidelines specifically developed for 211(d) grants has led them to rely on the more familiar and traditional management practices, appropriate for contract management. Several grantees suggested that a seminar be set up to discuss 211(d) grant management policies, providing more explicit guidance to them from AID and airing as a group their concerns and problems. Viewing the selection, approval and managing processes as essentially the same as for other programs and instruments is another manifestation of the problem generated by the lack, until recently, of general Agency guidelines on grants and the continuing lack of 211(d) management guidelines.
- Another factor which contributes to a syndrome of overmanagement/undermanagement is the manner in which the control of the 211(d) program is organized within the Agency. As presently constituted, AID has three "faces" for dealing with the grantee--SER/CM, TA/RIG and, depending on the specific grant, either a TAB technical office, a geographic office, or PPC. Ad hoc groups of RIGC members, established to review workplans or progress, often add a "fourth face" and individual missions are not hesitant to add still another dimension. A useful precaution in the early days, when the program was still experimental, these arrangements now appear to contribute to some of the problems raised with the

Team. For example, several grantees noted that they were required to submit a series of three different grant proposals reflecting the specific interests of each one of AID's faces at a considerable cost in time and effort. Communication, when engaged in by three or more elements, can become inconsistent, with conflicting advice and "signals" sometimes the result--particularly since it appears that a substantial portion of such communication is on an oral basis. While one office is pressing the grantee to demonstrate more utilization and the establishment of meaningful linkages, another is berating the grantee for using 211(d) funds to search out and develop such utilization and linkages, claiming "illegal solicitation" of business. Frequent changes in personnel have only accentuated the problem of multiple contact points. Several grantees simply did not know who was their technical backstop.

- Faced with inconsistent and occasionally uninformed guidance, a few grantees candidly stated they simply ignore advice from AID.

#### Programming and Evaluation Systems

Considerable time and effort, by both AID and the grantee, are put into preparing and reviewing Project Summaries, Grant Proposals, Annual Reports, and most recently a new evaluation process involving an annual management review, the preparation of a PAR report and the holding of a Utilization and Professional Communication Seminar.

- The considerable effort put into the programming and evaluation system processes have not yet produced all the expected or desired results. As noted elsewhere in this report (See Issue 2), the grant proposals have generally not been written with a clear, definitive understanding on the part of both parties as to what were the grant objectives, i.e., purpose. The UCLA grant is a classic example of this problem. Lacking agreement at the purpose level, conflicts have arisen at later input and output level decisions. Clearly, the ability during the planning stage to reach definitive agreement on grant purpose and indicators of successful achievement makes grant implementation and subsequent evaluation much easier. As already noted, a factor which can contribute to the lack of agreement on grant purpose is the multifaceted liaison and monitoring arrangements.
- There is confusion both within the Agency and with grantees as to the differences between purpose, objectives, i.e., outputs, and workplans, i.e., input schedules. Statements of objectives are often highly summarized multi-year input schedules of planned activity, i.e., workplans. It is difficult, in many cases, to determine what are the expected outputs and their relation to purpose achievement.

- There has been an increasing tendency, particularly by some RIGC members, to require detailed workplans as a means of exercising control and/or forcing more specificity, e.g., review of planned research projects, travel schedules, etc. In many cases, workplans are brief, may or may not cover future activities, and are difficult to relate to planned results. The usefulness of workplans in a grant program of this type is open to serious question, including, as they do, the establishment of inter-bureau ad hoc teams to review them. It would appear that decisions and reviews are too often focussed at the input level rather than at the output and purpose levels.
- With a few recent exceptions, Agency concerns with overseas linkages, utilization of grantee capacity, network participation, quality of life considerations, etc., are not reflected in the grant agreement, workplans, or similar documents.
- A Project Summary Statement was introduced into the programming process in early 1971. It is more a summary justification than a life-of-the-project plan and, therefore, has not been a particularly effective guide for subsequent negotiation of grant agreements with clearly defined and understood statements of purpose and indicators of achievement. There is presently no provision for discussion of sub-sector (problem) state-of-the-art analysis or the actual or potential demand for and supply of the institutional capacity here and abroad for fields where grants are proposed (See Issue 1). Other factors are also missing which unnecessarily limit the potential usefulness of the Project Summary, i.e., a grant equivalent to a PROP statement.
- The annual 211(d) evaluation process has had an uneven history. Initially, the grantee was required to submit a detailed annual report in draft, which became the subject of an Agency-wide meeting with the grantee, focusing to a large extent on an oral summary and administrative and fiscal matters. The end result was a report acceptable to AID. This process was revised in 1972 to simplify it and reduce the man-hours required. The revision left the annual report requirement intact but incorporated a new format designed to improve reporting of data needed by AID. A PAR-type evaluation form was introduced to record the results of an essentially in-house management review of the annual report which concentrates on past activity. In addition, a "Utilization and Professional Communication Seminar" was added with the primary intent of increasing effective professional interface between AID and grantee and involving timely exchange on subjects such as utilization, networks, stimulation and testing of innovations, and transfer of experience.

- The annual evaluations can be characterized as primarily confined to administrative and fiscal details. The PAR form has been implemented for approximately 26 grants and is a useful technique in certifying grant performance and compliance.
- In view of the fact that the full evaluation process has not been implemented (no "Utilization and Professional Communication Seminar" has been held), the equally important objective of providing an additional forum for in-depth, professional and substantive interface contained in the TAB evaluation system has not yet been realized.
- The grantees, generally speaking, put a great deal of effort into their annual reports. A large number of recent reports reviewed were of high quality and contained useful, well-written and documented information. However, several grantees expressed a concern that AID did not make the best use possible of their reports, e.g., as a basis for professional discussion of grant substance, or to disseminate information on grantee capacity to possible consumers.
- There are three sets of grant files, located in SER/CM, TA/RIG and the sponsoring technical office. Apparently very little has been filed in the TA/RIG files for nearly a year. The material in the files was often incomplete and confined to copies of the grant agreement, annual reports, travel clearances and other administrative details. Few files contained any data related to identification of problem area/need and general history leading to the selection and award of the grant. There was little evidence to indicate any consultation with grantees on substantive problems, a process which must have occurred during the life of many grants.
- RIGC appears to spend considerable time examining project detail and methodology to the neglect of the significant programmatic role it could and should assume. Old issues are constantly revived as new events occur and membership changes. New members almost always start from a very limited knowledge of background, purpose and understanding of the 211(d) program.
- RIGC's record of achievement is slim. Its effect on TAB and the grantees is more apparent than real. Attempts by RIGC to give close surveillance to grant projects soon fall away due to lack of time, disinterest, lack of technical competence, change in membership, etc. The functions of the RIGC and GTSC need review. They overlap and, because they are separate, they

do not effectively facilitate real discussion on programming alternatives to a given problem. Just recently, for example, the GTSC committee debated a \$125,000 GTS grant which is intended to be the prelude of a \$1.5 million 211(d).

#### Information Dissemination

- One of the most disturbing facts turned up in the review of the 211(d) program is the serious lack of knowledge about it outside of TAB and PPC/PDA. Few people in any of the eight USAIDs visited had any comprehensive or accurate knowledge of the 211(d) program and the situation is not much better in many AID/W offices. Most LDC officials and other donor field offices had little or no knowledge of the 211(d) program although in the latter case there was some at the headquarters level.
- Within the small sample visited, missions did not recall being asked to comment on a 211(d) grant proposal, or on actual or potential linkages at the proposal stage. Mission personnel with whom the Team met had not participated in any 211(d) evaluation and/or workshop. Almost no one had seen the June 1972, Directory of 211(d) Institutions, although most missions had received it.
- Some missions have contracts with universities, other than 211(d) institutions, but have no knowledge that other institutions have 211(d) grants in the same field or problem area. Grantees conduct field activities of which the USAIDs are sometimes unaware or misinformed. Other donor field offices state that they cannot envision circumstances in which they would call upon the competence created under the 211(d) program--a position engendered to a large degree by their lack of knowledge of the program.
- There is no specific TAB program to distribute 211(d)-generated materials, although abstract and other dissemination services are available for use at the initiative of the sponsoring office. Except for the directory and through direct contacts, there have been few organized attempts to inform the USAIDs of the resources available to them through 211(d) institutions. With the regional bureaus/geographic desks as the primary contact point in AID/W for the missions, it is symptomatic to note their general lack of knowledge of the 211(d) program--a situation which, in some cases, is apparently the basis for a strong bias, distrust or even hostility towards the program.

### C. Conclusions

The management function is becoming more involved and demanding. While steps are being taken to improve the process, TAB is handicapped by declining Agency manpower, occasional lack of in-house technical experts, lack of up-to-date 211(d) guidelines, multifaceted management responsibility, changing Agency priorities and requirements and sometimes by a lack of concern or hostility in parts of the Agency. Grants require more, not less, professional and subject-oriented interface and site visits than is the case with most direct contracts. Unless the downward manpower trend is reversed vis-a-vis 211(d) technical officers and/or more professional time is redirected to substantive problems, the problem may worsen rather than improve. Inadequate grant liaison and monitoring, misleading signals to grantees, and occasional acrimony can often be traced to widely dispersed grant responsibilities.

#### Programming and Evaluation

The Project Summary Statement needs to be redesigned to achieve the greatest programming benefit from it. Greater, more carefully defined and structured efforts must go into the initial defining of grant purpose, expectations, and indicators of achievement. (Part II Issues 1, 2, and 3 contain more specific information.) Grantee reporting has improved under recently revised guidelines, but the annual 211(d) evaluation process needs more attention and emphasis on the initiation of in-depth professional interface at critical times during the life of the grant. A suggested model is presented in Part II, Issue 2, entitled "Clarifying and Reviewing Grant Purpose and Achievement".

RIGC should consider a change and clarification of its role which would remove it from reviewing project detail and involve it more in the strategizing and programming process. More useful yet might be a merger of RIGC and the GTSC. The combined group should perform a programming advisory role on such questions as sector balance, priorities, identification of need, actual and potential demand for utilization and location of linkages. In addition, the committee should advise on what type of program instrument seems appropriate for the problem. Technical questions regarding specific proposals should be left to the various technical committees which now include regional bureau technical representation. At the same time, the membership of the committee could also be modified to include substantive bureau representatives, backstopped by their technical experts with less emphasis on representation by special interest offices.

Information Dissemination

Increased efforts must be taken by the Agency as a whole--with TAB leadership--to reduce the information gap regarding the purpose, achievements and capacities of the 211(d) program. An action program is needed to disseminate information about 211(d) institutions to the anticipated consumers of their increased competence. (See Issue 4, Utilization, for more specific suggestions.)

D. Management Options/Actions

1. TAB take the lead in developing a set of management guidelines appropriate for the unique nature and purpose of the 211(d) program. The aim of such guidelines should be to rectify the overmanagement/undermanagement syndrome and provide a reasonably consistent Agency interface with grantees.

2. After management guidelines are drafted, hold an orientation session for all grant liaison officers, monitors, grant officers and other Agency officials closely associated with the program. This should be followed shortly by a joint session with 211(d) grant directors where the roles, responsibilities, expectations, etc., of both parties are clarified.

3. Eliminate, as much as possible, all prior approvals. Issue the PD on "Clearance of International Travel Under Contracts and Grants", proposed by the Levick Working Group and now being staffed-out by AA/SER.

4. Greater priority and emphasis must be given to providing a more effective basis for professional collaboration on 211(d) activity. Illustrative steps include:

- . more on-site visits
- . use of peer experts at appropriate times to bolster Agency expertise
- . AID encouragement, and/or joint sponsorship, of workshops, seminars, demonstrations, etc., in grant problem/subject area
- . comprehensive on-site evaluations involving outside participation
- . joint development of indicators of purpose achievement, utilization, etc.

5. Redefine, clarify and simplify grant management responsibility. The "ideal" solution would be to:

- . remove all operational and monitoring duties from TA/RIG leaving them basic staff responsibility for the programming and evaluation processes
- . assign (by detail from SER/CM or by establishing a new position) a grant officer to TA/RIG in a staff capacity (Note: a representative of the General Counsel is normally assigned to TAB.)
- . assign primary responsibility for development of grant project statement, grantee selection, negotiation of grant agreement and amendments, and grantee management to the sponsoring technical office
- . within the sponsoring technical office, assign grant liaison, monitoring and substantive interface to a specifically named officer and provide maximum continuity.

6. Revise the instructions for preparation of project summary statements to require a PROP-like, life-of-the-grant description which will include statements on:

- . state-of-the-art and identification of need (See Issue 1)
- . grant purpose, expectations and indicators thereof (See Issue 2)
- . how grantee was selected (See Issue 3)
- . utilization demand and potential (See Issue 4)
- . existing and planned linkages (See Issue 5)
- . management responsibility for liaison, information dissemination and evaluation

7. In addition to annual management reviews, hold periodic special reviews as explained in Issue 2, i.e.:

<u>Approximate Timing</u>	<u>Purpose</u>
18 months	joint review of: grant purpose; indicators; primary approach, etc.
36 months	comprehensive review (with peer participation and on-site) of progress, importance, etc., with focus on decisions re revision, phase-out or expiration.

Approximate Timing

Purpose

bi-annually  
thereafter

for phase-out or incremental extensions

8. Maintain the Agency's "official files" in TA/RIG which, at the minimum, should consist of the following documentation, timely filed:

- . appropriate pre-grant background, e.g., strategy and state-of-the-art papers.
- . Project Summary Statements (including the data mentioned in step 5 above)
- . RIGC and/or other office comments
- . approval documentation, including PIO/T
- . grant agreement and amendments
- . all correspondence, field communications, and similar material (substantive as well as administrative)
- . annual reports
- . special reports, e.g., on workshops, demonstrations, field trips, etc.
- . PARs and other evaluative material

9. By combining with the GTSC or otherwise, redirect and up-grade RIGC's attention to a programming advisory role on such questions as sector balance, priorities, identification of need, actual and potential demand, linkages and utilization. Leave technical interface to the various technical committees with optional comment by AID bureaus on specific grant project proposals.

10. As already recommended under Issue 4, the Agency should:

- . develop contract guidelines which assure adequate consideration of appropriate 211(d) institution(s) in all AID contracts planned in the problem/subject area
- . mount an Agency-wide and continuing effort to publicize the program, including the dissemination of information on grantee activity, research results, and response capabilities.

E. Recommendation

While to some extent, a reiteration and summarization of previous recommendations, Agency management of the 211(d) program and specific grants can be improved by:

- developing specially tailored management guidelines and subsequent briefings
- eliminating travel and other prior-to-the-fact "clearances" wherever possible
- providing a more effective basis for timely professional collaboration
- simplifying grant management responsibility
- developing a comprehensive, life-of-grant statement
- holding periodic "special" evaluations
- improving documentation and filing
- redirecting and up-grading of RIGC attention to programmatic advisory role similar to or in combination with GTSC
- developing contract guidelines to assure adequate consideration of 211(d) capabilities

6 February 1973

MEMORANDUM FOR: PPC/PDR, Arthur Handly

FROM: AA/TA, Samuel H. Butterfield

SUBJECT: 211(d) Program Instrument

Pursuant to our recent discussions regarding a proposed evaluation of the 211(d) Institutional Grant Program, we agree that the time is appropriate to look at the instrument itself in terms of the purpose(s) it was or should be designed to serve. Since the beginning of this program in 1965, many improvements have been made in the processes for the programming and managing of these grants, including recent changes in reporting requirements, evaluation procedures and the participation of RIGC and GTSC in programmatic and sector reviews.

Despite what is underway and the various processes already available to surface issues, problems, etc.--recent and proposed changes in Agency policies and modes of operations, over five years experience with the grant program, and other changes make it a propitious time to review specifically the effectiveness of this program instrument in terms of increasing the quality and availability of U.S. institutional talent to work on LDC development problems.

Accordingly, as the first step, Dr. Bernstein has requested the Bureau's Evaluation Officer, Raymond E. Kitchell, to take the lead in preparing an appropriate staff analysis which can serve as a basis for senior level review and, if appropriate, for subsequent recommendations through the normal decision-making channels. We welcome the offered assistance of Bob Berg in this first phase.

This group should begin work at the end of this month. Its first task will be to set the context and refine the purpose of the exercise, develop the basic questions to be analyzed, and draw up a plan of work including a target date for completion. We plan to discuss all this with you as we proceed.

cc: AA/TA, JBernstein  
AA/TA, EJLong  
AA/TA, REKitchell  
TA/RUR, KMcDermott

### PURPOSE OF 211(d) REVIEW

The proposed three-phased senior level review of the institutional grant program should take place within the context of how the Agency can best help to build U.S. institutional capacities to do a better job in assisting LDCs to solve their development problems--in the light of experience to date, "Reform" objectives and recent policy changes, and the future path of technical collaboration.

The specific results should include:

- Clarification and/or modification of program purpose(s) and rationale.
- Consideration of alternative means and combinations to increase effectiveness of program instrument and utilization of resultant capacities.
- Recommendations, as appropriate, for changes in legislative authority, criteria for selection of grantees, operational instructions, etc.

211(d) Institutional Grants Program

Summary by

Fiscal Year, Institution, Subject, and Amount

FY 68

University of Illinois	India Agriculture	\$200,000
Kansas State University	India Agriculture	\$200,000
University of Missouri	India Agriculture	\$200,000
Ohio State University	India Agriculture	\$200,000
Pennsylvania State University	India Agriculture	\$200,000
University of Tennessee	India Agriculture	\$200,000
Johns Hopkins University	Health/Population	\$1,800,000
University of North Carolina	Health/Population	\$2,400,000
University of Michigan	Health/Population	\$1,250,000
Tufts University	Econ. & Pol. Dev.	\$700,000
	Total FY 68	<u>\$7,350,000</u>

FY 69

University of Arizona	Water Management	\$350,000
Colorado State University	Water Management	\$750,000
Utah State University	Water Management	\$750,000
University of Wisconsin	Land Tenure	\$1,500,000
University of Rhode Island	Aquaculture	\$750,000
Southern Illinois University	Econ. & Pol. Dev.	\$1,000,000
Yale University	Law Development	\$1,000,000
	Total FY 69	<u>\$6,100,000</u>

FY 70

University of Minnesota	Ag. Economics	\$800,000
Iowa State University	Ag. Economics	\$375,000
Cornell University	Ag. Economics	\$240,000
Michigan State University	Ag. Economics	\$625,000
Prairie View A & M College	Tropical Soils	\$500,000
Cornell University	Tropical Soils	\$500,000
Auburn University	Aquaculture	\$800,000
University of Michigan	Econ. & Pol. Dev.	\$675,000
University of California, Los Angeles	Ed. Development	\$600,000
Tufts University (Amendment)	Econ. & Pol. Dev.	\$300,000
	Total FY 70	<u>\$5,415,000</u>

FY 71

University of Hawaii	Tropical Soils	\$500,000
North Carolina State University	Tropical Soils	\$500,000
University of Puerto Rico	Tropical Soils	\$500,000
Florida State University	Ed. Development	\$1,000,000
MUCIA Consortium	Econ. & Pol. Dev.	\$1,000,000
Stanford University	Law Development	\$700,000
Duke University	Comp. Legal Studies	\$500,000
	<u>Total FY 71</u>	<u>\$4,700,000</u>

FY 72

University of Hawaii	Comp. Legal Studies	\$235,000
State University of Iowa	Comp. Legal Studies	\$265,000
Cornell University	Science & Technology	\$580,000
Massachusetts Institute of Technology	Science & Technology	\$900,000
Southern University	Ag. Economics	\$500,000
Virginia State College	Ag. Economics	\$500,000
Texas A & M University	Livestock	\$500,000
Tuskegee Institute	Livestock	\$500,000
Purdue University	Livestock	\$250,000
University of Florida	Livestock	\$500,000
University of Michigan (Amendment)	Econ. & Pol. Dev.	\$465,000
	<u>Total FY 72</u>	<u>\$5,195,000</u>

FY 73

Iowa State University (Amendment)	Ag. Economics	\$400,000
University of California-Berkeley	Ed. Development	\$998,354
Georgia Institute of Technology	Science & Technology	\$800,000
University of Michigan (Amendment)	Econ. & Pol. Dev.	\$477,535
Pace College	Export Promotion	\$100,000
	<u>Total FY 73</u>	<u>\$2,775,889</u>

<b>Total All Years</b>	<b>46 Grants</b>	<b>\$31,535,889</b>
------------------------	------------------	---------------------

## INITIATION OF THE 211(d) INSTITUTIONAL GRANTS PROGRAM

### PURPOSE

The purpose of this paper is to capture, in capsulated form, much of the events and thinking that went into the initial development of the 211(d) Institutional Grants Program (IGP), leading up to, but not including the issuance of M.O. 1018.1 on February 21, 1968-- which still remains current and governing. The material summarized herein, with minimum editorializing, is extracted from official documentation, correspondence, background papers and drafts prepared for briefings, congressional hearings, etc. (Copies are available in Room 2844-NS) No attempt is made to trace specific actions but only to show, to the extent possible, the stages which took place and the various factors considered in the development of the final program policy and procedures.

### LEGISLATIVE BACKGROUND

AID has always had authority to contract with universities for specific services. It did not, however, believe it had the authority to finance new or additional capacity to meet the special long-range programming requirements of the Agency. The philosophy which resulted in the IGP was first incorporated in a legislative proposal when Senator George McGovern introduced a bill (S.1212) to help close the "gap" between AID and the universities by assisting in the establishment, strengthening and maintenance of programs for research, education, training, advisory and technical services to developing nations.

The challenge of mobilizing universities resources and support for the AID program was seen as complicated by the fact that although effective university participation is dependent upon institutional arrangements, commitments and investments of a relatively long-term nature, AID necessarily operates on a relatively short-term basis. Perhaps as a result of this short-term nature of foreign assistance, the Agency has tended to emphasize the utilization of existing capacities in the academic community as opposed to developing the needed capacity where it does not already exist.

The McGovern Bill, however, either stimulated or was overcome by an Administration proposal which involved two new pieces of proposed legislation, the International Education Act of 1966 and the 211(d) amendment to the Foreign Aid Bill. The International Education Act had, as its purpose, the creation of a balance in university curricula between international and domestic programs. It was an ambitious Act which included, among other things, the establishment of centers for advanced international studies by use of grants, providing undergraduate programs in international studies, also by providing grants to eligible institutions, and by amending the National Defense Education Act to provide grant authority in support of foreign language instruction.

On the other hand, the provisions of Section 211(d) had the specific purpose of creating resources upon which AID could draw to meet its future development program needs and was more specifically and pragmatically focussed on the more effective solution of

problems of development programs served by AID. In a paper prepared for the AID University Relations Advisory Committee meeting in May 11, 1966, the Agency stated that it was attempting to maintain a clear and sensible distinction between activities in the foreign aid field authorized and financed under the Foreign Assistance Act and activities designed to enlarge and strengthen U.S. training and research facilities in international fields not for foreign aid purposes, but to permit our country to fulfill better its normal and continuing role as a member of the world community of nations.

In the House Committee Report on the FAA, the 211(d) amendment was seen as enabling institutions to develop on-campus competence in problems related to growth in LDCs. AID would then be able to draw upon their findings for programming and implementation. Studies in-depth were to be directed toward particular subjects and the emphasis to be placed on AID through these grants was to "be on technical programs directly related to economic growth". This was seen complementary to the International Education Act which has the goal of developing educational expertise, including language and area studies, as an end in itself.

The authorization for the IEA included \$10 million in grants for FY 1967, \$40 million for FY 1968 and \$90 million for FY 1969. Unfortunately, no funds were ever appropriated to carry out the Act. The expectations built up in the University community by this Act and Congress' failure to appropriate funds obviously had some effect on subsequent interpretations by both the universities and AID on how the 211(d) authority should be most effectively utilized.

THE RATIONALE FOR 211(d)

It is significant to understand why it was felt necessary to request this authorization and what the Agency intended to accomplish with it. From this, one can extract some of the conditions and assumptions which existed at that time and use this as a baseline for looking at the setting today and as projected into the rest of the 70's.

In a briefing paper prepared for Mr. Gaud's Congressional Presentation, it was stated that AID had, to date, not been able to utilize the full potential of American universities because of limitations in AID authorities to enter broad and continuing arrangements with the universities for overseas work. AID needs and will need increasingly to bring knowledge and skills to bear on specific development problems of both an area and subject-matter nature. U.S. foreign policy objectives require that universities develop institutional competence which AID, and other users, can tap for identification and analysis of problems, and for developing and carrying out activities to deal with the problems. These problems will often be interdisciplinary and multidisciplinary in nature and scope.

In a section-by-section analysis of pending Foreign Aid Bills dated March 7, 1966, it was stated that under the authority of Section 211(d) of the Act, AID will assist educational institutions to develop technical resources in vital development fields upon which AID can draw and where there is a direct relationship between support of such institutions and known program needs. This amendment would

make it clear that this authority extends to supporting the development of human and other resources likely to be needed for future programs, but not necessarily directly related to identifiable short-range program needs. In a statement prepared for the House Foreign Affairs Committee, it was stated that the 211(d) amendment is intended to develop and strengthen academic and other intellectual resources which AID could use to meet its future development program requirements. The requirements for such resources in AID is growing in importance and, in part, the requested authorities stems from recognition of the need to strengthen the institutional base of which AID has drawn heavily in the past and will depend on in the future. AID needs now and will need increasingly to bring a high degree of knowledge and skill, available through such institutional resources, to bear on country, area and subject matter problems. The statement continues by explaining that present programming techniques, involving essentially personal service type contracts with institutions for specific work assignments, are not an adequate means through which to mobilize effectively the major contributions of such institutions to the problems of economic and social development of the underdeveloped lands. There is increasing recognition that broad and continuing arrangements to strengthen special capacities within certain institutions and/or combinations thereof, thus enhancing their capacity to participate in solving the problems of underdeveloped countries, are required for the effective mobilization of institutional resources for AID programs in support of U.S. Foreign policy objectives.

At the same time, AID was telling the University Relations Advisory Committee that, essentially for the first time, 211(d) represented recognition of the need to sustain and strengthen the institutions of learning on which it has drawn heavily in the past and will have to depend increasingly in the future. Without such assistance, AID recognized that these institutions would not always be able to support fully the AID program or, conversely, active participation in AID overseas programs might result in a serious drain on faculty and other resources. Specific examples extracted from various documentation to support these general statements include the following:

The organization of knowledge has been hindered by (1) the interdisciplinary nature of most development problems and (2) the cultural diversity of the countries involved. The traditional structure of U.S. academic institutions has not encouraged, in some cases has inhibited, the critical interaction of the various relevant disciplines and the marriage of cultural studies with the relevant professions. Most professions need retailoring to make them fully applicable to requirements of LDCs and also to provide more of an interdisciplinary approach than that usually available in most U.S. institutions.

The development art itself is badly under-developed. It lacks both well-formulated doctrine and relevant technology. It continues to mean all things to all people. There is a critical shortage of people who understand the development

challenge or who are willing to make substantial career commitments in this area. Most professions are oriented to the tightly structured needs of highly developed societies and cannot be transplanted easy to foreign cultures. Furthermore, less developed nations often produce demands which cannot be met through any body of western expertise. New skills, new professions must be developed to meet these requirements.

Present contracting practices involve essentially the procurement from universities of their existing resources. This tends to diminish rather than enhance the capability of the institution in the subject of AID's interest and needs. Universities are almost obliged to provide contract employees to AID as a purely exogenous aspect of their program. Resources marshalled for a contract project are often dissipated at the end of the contract term.

Problems are best solved by those organizations with a capacity for dealing with them singly or serially as clusters over a sustained period of time and, for AID, by organizations committed to a technical assistance, foreign culture, interdisciplinary focus. Section 211(d) will permit the development of such capacity.

Busy operating people are forced to think in terms of specificity and immediacy. Universities are conditioned to think in broader perspective. We need an impedance match between AID's input and an outside capacity. A long-term commitment

will permit an institution to organize its resources, to reorient the career expectancy of individuals within the institution so that they are more compatible with broader technical assistance requirements. The continuous influence of the grant authority will make it easier for individuals to achieve a measure of identification with technical assistance objectives.

AID relies heavily upon outside institutions to implement its program. Section 211(d) authority will permit AID to create speciality competence in outside organizations uniquely relevant to AID needs. It permits AID to furnish support to institutions to develop a long term capacity to meet these unique demands. This would greatly improve the performance of the educational community under their regular contract devices.

It is interesting to note that shortly after the above statement was made, PD 37 was issued on February 10, 1967 on "AID's role with Respect to Non-AID Resources in the Total Foreign Assistance Effort". Among other things, this PD established a policy that contracting with non-governmental organizations will be the first order of preference as a means for obtaining skilled personnel.

Other reasons mentioned for justification of the IGP included the ability to acquire continuous focus on significant problems and the development of knowledge on LDC problems which are nonexistent in the United States, e.g., land reform. Most interesting in terms of current developments is that in the thinking behind the 211(d)

program obviously contributed to the early development of the networking concept. One of the first proposals concerned the establishment of a Center for International Health and Tropical Medicine based at an American University, with one or more counterpart regional centers in the tropics. The same networking and linkage approach was implicit in many of the proposed "centers of competence".

INTERPRETING THE INTENT OF SECTION 211(d)

As early as November 1966, signs appeared in the documentation that ". . .the Land Grant Colleges have been thinking differently as to how money on the 211(d) might be spent than AID has been thinking". The difference in interpretation was no doubt aggravated by the failure of Congress to appropriate money for carrying out of the new directions and authorities contained in the International Education Act of 1966. The cut in AID appropriations also prevented any grants in FY 1967 and the placement of a \$10 million limitation on the use of this authority in FY 1968 required the Agency to develop some type of criteria for reducing the number of projects eligible for financing. In the May briefing for the Congressional Presentation, AID emphasized that it was developing the institutional grant program on a very selective and careful basis designed to meet high priority objectives of the U.S. assistance program. Staff proposals had originally included 15 grants for FY 1967, 24 for FY 1968, 25 for FY 1969 and 30 for FY's 1970 and 1971. These had been reduced by Administrator Bell to 10 in FY 1967, 12 in FY 1968, and 15 in FY 1969.

It was estimated that each grant would cost \$400,000 a year for an average five year grant (or \$2 million) and that there would be no more than 25 grants operative at any one time. In October 1966, the number of proposed grants eligible for financing in FY 68 was reduced from 13 to 6. TCR's criteria for selecting the final 6 included (a) immediate needs of the Agency as best it could determine them, (b) desirability of having at least one project in each of the three "new initiatives" and (c) the assignment of a special emphasis to agricultural problems in line with the Administrator's earlier suggestions and such background considerations as the interest of Senators Mondale and McGovern, and (d) the estimated feasibility of getting projects of the type which merit support for awarding grants. In November, PD 35 was issued which specifically mandated that 211(d) program give emphasis to the War on Hunger.

In the face of these circumstances and constraints, the Agency took what some might consider a narrow view of interpreting the 211(d) authority, at least in-so-far as the actual awarding of grants was concerned. Objection to the Agency's interpretation surfaced in a letter from John Caldwell, President of the University of North Carolina, to the Administrator dated March 20, 1968. The purpose, as he saw it, was to provide, among other things, expanding on-campus personnel on a sustaining basis to enable institutions to meet both domestic and overseas obligations without injury to either and not merely to expand specific program objectives of AID. He recommended a broader interpretation, holding that grants were to

strengthen the institutions' long-term commitment and to improve their performance. Caldwell was specifically reacting to the program objectives and criteria set forth in M.O. 1018.1 which was issued the prior month.

AID's General Counsel concluded that the AID program objectives and criteria and the institutional grants already made properly fall within scope of the statute as enacted, but agreed that it may well be that the statutory language could also encompass the broader use of grants realized by Dr. Caldwell. Nevertheless, GC stated that it "is certainly within the purview of this section, especially in the view of limited availabilities, for AID to follow its present practices of making grants having a more direct and immediate benefit to AID".

#### EARLY PROGRAMMING AND IMPLEMENTATION

Even while the reduction in the number of grants for immediate financing was taking place as described above, on November 15, 1966 at an ISDS staff meeting, Dr. Randall announced that he had a list of 30 possible grants and that he was thinking in terms of a 10 to 15 year time horizon and wanted to reach a total of 50 possible projects that are operationally relevant.

Early issues which developed included (1) the geographic vs the problem approach to organizing and developing a total national competence, (2) what specifically is needed from AID to give substance to a long-term commitment by a university, (3) the type of instrument to be employed, i.e., grant or contract, and (4) how to determine AID's needs and the role of outside advisory groups in such a process.

AID told the University Relations Advisory Committee that it would develop a program on a very selective and careful basis designed to meet high priority objectives of the U.S. assistance program. Without foreclosing the possible need for creating new capacities, the program generally would concentrate on institutions or combinations which have present or potential future special competence in areas or problems of direct concern to AID. In reply to a May 14, 1966 Presidential request for the Agency to take energetic action to implement the major new initiatives proposed in his message to Congress, AID replied that the new authority will be used to provide the infrastructure necessary for continuing an institutionalized relationship making possible the cumulative impact of experience and analysis.

Specific program commitments, according to a paper prepared in July 1966, would be based on a very thorough inventory of the problems of the AID organization in which the bureaus and field activities would have a maximum opportunity to participate. After identifying the major long-range technical assistance need of AID there will be a considerable job of locating several potential organizations that have the capacity and willingness to work with these problems within the context of a long-term commitment. At the same time, it was recognized that it was critical for AID to maintain the initiative and that this put a premium on the analysis of long-range potential and long-range problems of technical assistance programs. It was suggested that a task force of high competence should be assembled at

an early date to assess the probable substantive institutional and social needs of LDCs over a long period of time. Given the dynamic explosive nature of the development process throughout the world, this meant the continuing application of the best available talent of the country must be made available to these assessments. AID should maintain the initiative on these grants, programming outwardly from "operational" needs, rather than encouraging unsolicited proposals from universities.

Again, at a University Relations Advisory Committee meeting AID stated that there are three major components in the planning of these grants: (a) defining the problem areas appropriate for grant management, (b) determining the types of resources and organizational arrangements required to address these problem areas, and (c) identifying the institution most appropriate for creating these resources. For the latter two, AID stated it planned to establish an external advisory group. In the reply to President Johnson, the Agency noted that it expected to lean heavily on the AID Advisory Committee on AID/university Relations to advise on criteria, guidelines and procedures for evaluation and selection of candidates for support, proper sharing of responsibilities between AID and the universities, and so forth. In designing internal machinery, AID will maintain the final responsibility for decisions regarding general policies and specific approvals and there will be continuous and thorough inter-agency coordination with appropriate staffing assured.

In October 1966, Dr. Randall suggested that an external advisory committee representing various substantive program areas should be established to help guide the Agency selection, broadly representative of universities, foundations, and other interests most concerned with AID's programs. He envisioned ten or more members almost continually available operating somewhat like the Research Advisory Council. By October, there was signs that the Agency was having second thoughts regarding the role or even use of an external advisory group. Dr. Moseman, commenting on a draft proposal for the Technical Assistance Research Committee (TARC), disagreed with establishing a separate advisory committee for the institutional grant program preferring instead a sub-group of the AID-University Relations Committee.

#### Time Horizon

The time horizon for such grants became an important parameter for programming purposes. In the first IGP paper drafted in July 1966, it was stated that the so-called centers of excellence be directed at providing continuously available resources with central characteristics of uniqueness, adaptability and interdisciplinary content. While AID program needs have been short-ranged with the emphasis on utilization of skills and professions immediately available in the contracting organization, the university had to take a longer viewpoint. One cannot expect that the challenge of building institutional capacity is going to be particularly an easy one to meet. It will require patience, long-range and deliberate negotiations and continuous monitoring.

The longest programming timeframe mentioned in the available documentation was 15 years, but 10 soon became the most used figure. One document stated that grants should be made on a forward funding basis of five years at a time, renewable yearly to provide a consistent five year lead and permit universities to make long-range plans. It was specifically stated that such grants should be in large enough units to permit a really effective development of institutional resources. A few well-funded efforts will be worth far more in the aggregate than numerous small enterprises scattered widely throughout many universities. The programs planned for the ten year time horizon were to be geared to projections of the changing requirements that technical, social and economic growth in the less developed countries. But in February 1967, in a prospectus prepared by TCR, it was stated that 5 years would be the normal duration for a project period although grants may be approved for any period of time up to but not exceeding ten years.

TCR was to assume the leadership for the IGP with the advise and assistance of TARC. In addition, a special effort was to be made through symposia, staff conferences, debriefing sessions, etc., to develop and utilize internal staff talents to develop a program in a ten year planning context to effectively inform universities of AID's projected long-range operating needs.

#### Use of Funds

In a letter to Humphrey of the American Council on Education, Moseman stated that the Agency is seeking to avoid the use of grant

funds "for broad financial enrichment", where funds would be scattered by the recipient institution rather broadly throughout departments for general support. He expressed the hope that arrangements for "professional monitoring" by AID, rather than the current clerical and administrative monitoring of AID contracts, would ensure a greater compatibility of understanding in the AID/University relationships. Recognizing the need for a broad base for institutional capability, Moseman nevertheless warned that because of some critical immediate needs (the Indian food shortage was cited), the initial grants may be more problem-oriented than the Agency would wish but that he expressed the hope to achieve mutually acceptable directions and guidelines through continued professional consultations.

In its reply to the President, the Agency responded that specific activities which would be funded included (1) development of specialized curriculum of courses designed to sensitize faculty and graduate students to the problems of technical assistance, (2) addition of faculty chairs to allow returning staff members up to one year, on a rotational basis, for the purpose of writing up their overseas experience or analyzing data they may have collected during their tour (Note: introduction of the IDA mini-grant concept), (3) followships for literature surveys and compiling annotated bibliographies relating to specific problem areas, (4) special project or problem-oriented task force on regional, country or sectoral basis including a secretariat responsible for organization, implementation and

utilization of results, (5) basic research on the development process to provide a sounder theoretical base for more applied contract research projects on specific problems of developing nations, (6) major courses of study leading to the development of technical assistance practitioners and technicians. All of the above, it was noted, would depend upon a continuing and cumulative experience.

In a functional sense it was stated that the funds would be used to (1) establish university centers to focus study on the development process, (2) support basic research, (3) develop techniques of social measurement, (4) support applied research, i.e., the translation of U.S. skills to non-western cultures, and (5) maintain institution-to-institution relationships both between and beyond specific contract projects.

#### Criteria for Awarding Grants

Specific criteria first appeared in the Agency's reply to President Johnson. They included the following which were to be cautiously applied in the early stages: (1) oriented to the priority objectives of the United States foreign policy, (2) study of university resources currently underway to help identify both existing and potential capabilities, etc., (3) at least initial grants should be with institutions having had overseas experience, (4) universities should demonstrate the kind of institutional flexibility which permits new and perhaps unorthodox arrangements, (5) demonstrative university commitment including:

- (a) financial willingness;
- (b) willingness to relate all relevant elements of the university program to the support of activity; and
- (c) endorsement by top administration, including the Board of Trustees; and

(6) a willingness on the part of a university to relinquish a degree of its sovereignty in the interest of a viable division of labor between universities. It is interesting to note that in the earliest documentation available, it was stated that assistance would continue to be furnished only to those institutions making a commitment to participate actively in the development process. In the August 1966, IGP paper prepared by TCR, selection criteria were summarized as:

- (1) program needs
- (2) sustained university commitment
- (3) long-range program, taking into account anticipated technological and sociological projections in the less developed societies, and
- (4) flexibility, giving maximum discretion to the university in developing speciality competence required.

In this latter connection, it was stated that the grant principal should be fully recognized. The required dialogue between AID and the universities should emphasize flexibility and substantive professional personnel dealing with a university counterpart. The purpose of this program is to build long-range resources in-depth rather than procure it through various services for specific limited purposes. Contracts for specific services will continue to be used.

They will be more effective, however, where they are able to tap a growing capacity created by the provisions of the 211(d).

Finally, in the February 1967 Prospectus, the last apparently developed before issuance of M.O. 1018.1, AID stated that it was interested in institution-wide interdisciplinary participation, including all departments with advanced programs in subject matter fields that have relevance to the program area proposed. It outlined the criteria it would use for appraising proposals:

- (1) evidence of care in planning and developing an integrated program related to economic, social or political development focussed upon a clear cut operational problem of AID;
- (2) resources of the institution, chiefly faculty and facilities;
- (3) relevance of discipline to AID requirements in which programs will be developed;
- (4) accreditation rating of the institution;
- (5) appropriateness of budget items; and
- (6) evidence of institutional commitment for long-range performance.

#### Some Early Proposals as Anticipated by AID

In a paper on the IGP program prepared August 15, 1969, TCR listed some specific tentative proposals which responded to several critical areas in the AID program to generate the kind of problems that might best be alleviated through the 211(d) grant authority. They included some of the following:

A grant to the five American universities operating in India to provide a real incentive and continuous focus on Indian agriculture.

A grant for agriculture irrigation to provide some U.S. organizational focus.

A center for the development of agricultural policy.

A grant to N. Carolina State with the objective of making Peru a center of excellence for potato culture development for Latin America.

A grant to the Wisconsin Land Tenure Center, already working on the problem on a research contract, as a preferable instrument.

A center for international health and tropical medicine, based at an American University with one or more counterpart interregional centers in the tropics (an early networking concept).

Also, centers for:

Health and manpower

Educational technology

Industrial development

Urban development

Legal institutions

### EVALUATION

The question of institutional competence was dealt with at the earliest stages. During the Congressional Presentation, a briefing paper prepared for Mr. Gaud described the institutional competence to be developed as follows:

Adequate numbers of well-trained professionals and necessary curriculum to achieve creation of the needed talents.

Access to existing knowledge.

A continuing program of research in development processes and techniques that focuses on both immediate and long-range problems.

Facilities and resources (1) to carry out under separate contracts technical assistance activities overseas and (2) to consult informally with AID officials as needs arise so that there could be a continuous interchange of ideas between AID and the universities.

In all cases the effectiveness of the increased competency in furthering U.S. foreign policy objectives, was stated as being dependent upon the degree of direct involvement by the universities in U.S. development assistance efforts. By August, the Agency was saying that the authority must be administered in such a manner that the total effort, over a period of several years, will result in a total significant increase across-the-board in AID's programming capacity. A very careful division of labor among universities must be sought to guarantee this total integrated competence.

Referring to individual grants, it was stated that program performance should be evaluated on the basis of objectives rather than the details of a specific performance so that the universities may have maximum discretion in developing speciality competence required. Scientific rather than accounting judgments should guide the program. A report prepared by AG/OAS in January 1969, stated that it is assumed that the grants will build long-term resources in-depth in the grantee and thereby become a permanent part of the grant

receiving institution and a part that eventually will not be dependent upon AID support.

The statement quoted above on the evaluation of program performance was repeated in the February 1967 Prospectus with the change that scientific and professional judgments will predominate in evaluation performance under the program. Finally, this same Prospectus mentioned that an annual progress report comprising a precise statement of accomplishments during the year including recommendations and conclusions based on the experience and results obtained shall be submitted. No mention was made in the documentation available regarding annual evaluations by the Agency until M.O. 1018.1 was issued. After explaining that grants normally will be made in funds obligated for a five-year period, with the possibility of further extension for an additional five years as a maximum, the M.O. simply states that at the end of each two years of operation, progress and utilization of the grant will be formally reviewed and evaluated and a decision will be made as to whether grant funding may be renewed for a further advance time period.

REKitchell  
4/4/73

SUBJECT: Changes in Agency Policies and Strategies as They May  
Affect the Role of U.S. Universities

I. PURPOSE

An attempt is made in this paper to highlight briefly the changes in AID policy and strategy as, in general, it affects technical assistance, i.e., the transfer of knowledge, and specifically how it is and may be projected to affect the role of U.S. universities in knowledge transfers and the need, if any, for increasing the quality and availability of U.S. institutional talent to work on LDC problems. Similar efforts are being undertaken regarding changes in the university scene, changes in the perceptions and demands for technical assistance as seen by the LDCs themselves, and the changing role of multilateral and regional organizations--all within the context of their effect on the role of U.S. universities. A synthesis will be attempted which is expected to be a major input to the Team's analysis and findings on the Category I issues, i.e., the clarification, revalidation, and/or modification of program purpose(s) and rationale.

II. The Early '60's--Launching a Decade of Development

From the post-war relief and economic recovery program of the '50's, came the beginning of the "Point IV" program concerned with the transfer of technical skills and knowledge to underdeveloped countries. It also saw the use of Defense Support as a weapon of the global cold war and the creation of a Development Loan Fund to facilitate resource transfers. By 1960, another turn in the road was taken with the launching by President Kennedy of the Decade of Development. One of the basic premises of this

program was that it is a very different problem to give aid to temporarily disabled industrial countries than to grant aid to nations which, in some cases, still have to acquire the very tools and institutions which make a modern society.

The President requested a shift, as rapidly as possible, from short-term aid designed to stave off sudden collapse to long-term assistance designed to produce basic and significant development. At the same time, developing countries would have to assume and fulfill their own responsibilities including multi-year planning, mobilization of domestic resources, and the enlistment of the energy and the devotion of the people themselves. The U.S. and host governments were to broaden their joint efforts taking into account all of the factors which contribute to growth, not limiting themselves as has happened in the past to an isolated few of these factors. For the first time, the International Development Program called for systematic research to help the United States acquire valuable new skills in promoting the process of development. Finally, there was the explicit assumption that there would be both an increase in free world aid sources and an increase in a significant number of recipient nations capable of continuing their growth out of their own resources from normal commercial borrowing. Within this context, technical assistance or development grants was only one of a group of tools available. Where there was a large economic or defense support program, technical assistance usually was programmed in terms of contributing to these U.S. foreign policy country objectives. For example, the effective mobilization of resources resulted in increased

emphasis on tax policies and tax administration, economic planning and budget projects. There was renewed emphasis on the development of coops and thrift institutions with four times as many technicians in these areas in 1966 than in 1962. There was also emphasis on intermediate credit institutions and managerial training in the private sector. During this period, approximately 1/5 of technical assistance was programmed for strengthening educational institutions. Country programming was the style with activities spread over the entire spectrum although in specific countries they were supposedly concentrated on development objectives. If country programming was the stance, the key word was leverage. Loans were conditioned on performance and tranche releases were made after a review of host country performance. In some cases, technical assistance was accepted as the price for more important aid, i.e., the transfer of resources. It was the heyday of the PPBS, and the CASP and the CFS and technical assistance was primarily programmed to help solve near-term operational problems. Nevertheless, it was also the period when, for the first time, the assumption that the technology appropriate to our social and economic conditions could be transferred without serious modification to the less developed countries was questioned. Research for economic and human development was authorized by the Congress and a modest program started with central funding.

The importance of institutional development was paramount and went hand-in-hand with the self-help concept which first surfaced in the "Kennedy" development decade. There was an increase in contracting with U.S. universities for direct institution-to-institution technical assistance.

Nevertheless, there were still a large direct-hire complement of U.S. technicians providing assistance in education, agriculture, public administration, etc. During this period direct-hire staff for technical assistance reached its peak. The profile of U.S. assistance was high.

### III. The Late '60's--Re-emergence of the Functional Emphasis

In calendar year 1965 (the FY 1966 Congressional Presentation), President Johnson maintained the basic thrust of the early '60's initiated by President Kennedy. The national security rationale was still paramount, but survival against Communist pressure was still directly an issue only in Southeast Asia. The ratio of aid was reversed with two-thirds of foreign assistance now being economic with all but 15% of that providing capital and technical assistance for long-term development and progress towards self-support. Several countries had "graduated" or were on the threshold of economic self-help, e.g., Greece, Israel, Turkey, Pakistan, India and the Republic of China. The assumption was that more countries would become self-sustaining in the relatively near future.

The FY '66 program was designed to:

- intensify the concentration of our aid and our insistence that aid be tied to self-help in performance;
- improve the quality of assistance through greater reliance on private skills and resources;
- continue tightening the management of assistance; and
- increase reliance on multilateral aid coordination, and seek to put more free world aid on a multilateral basis.

Development assistance was to be concentrated in seven countries engaged in strong self-help development programs: Brazil, Chile, Nigeria, Tunisia, India, Pakistan and Turkey. Supporting assistance was planned for Vietnam, Laos, Korea and Jordan. Even so, this was the lowest request in the history of the foreign assistance program to date and represented the smallest burden on the American taxpayer--1/2 of 1 percent of our GNP. The Agency also highlighted that it had reduced direct-hire staff by 1,140 during FY 1964. Emphasis on self-help, the use of leverage in the monitoring of performance in large economic programs, and the strengthening of the private sector remained priority areas. Increasing emphasis, however, was being given to improving the quality of assistance. Perhaps the network concept was born in this presentation when it was stated ". . .the agricultural revolution in the United States was sparked by the nation's great land grant colleges and universities, which provided both the research and a training base for the agricultural extension network that helped to make American agriculture so productive." It further stated that the United States is relying heavily on the same institutions that transformed American agriculture to apply their skills and experience to the different agricultural programs of the developing nations. More extensive contracts with the land grant universities and colleges was programmed.

The emphasis on providing technical assistance through non-governmental institutions and private firms was already bearing fruit. American colleges, universities, businesses and professional firms and service organizations held more than \$400 million in AID contracts for technical assistance work in 76 countries. \$319 million was proposed for technical cooperation in

development grants. In Africa, technical assistance made up 42% of the proposed program reflecting the continent's urgent need for skills and institutional development prior to making the capital investments. In Asia, technical assistance was a far smaller fraction of the program reflecting greater capacity to make use of large amounts of capital. Interregional activities began to grow. The specific investments highlighted included nutrition, research and analysis, and grants for the assistance to the International Executive Service Corps. Close to a fifth of all AID technical assistance was directed to strengthening educational institutions and gearing curriculum more closely to development needs. Projects in the field of agriculture were a second major area of concern but this was soon to change. The trend towards fuller and more flexible use of the contract technique was also highlighted as a means to tap more fully the talents and skills of private industry, universities, other federal agencies, state and local government units, research institutes, labor unions, cooperatives, and other private organizations. AID's intention to follow-up on the recommendations of the Gardiner report was also promised.

Some of the assumptions summarized above, i.e., self-sustaining growth and graduate countries, were subject to severe doubt as the population-food crisis became more evident. Recognition of this crisis as high U.S. policy was promulgated in the "War on Hunger". The highest functional priority was given to an intensive and sustained drive to increase the supply of food throughout the free world. All forms of assistance, including technical assistance, were to be utilized in formulating

action projects and programs in the War on Hunger. The use of food resources was recognized as a limited and interim device which should be programmed as a self-help device to be used in pursuit of development goals not merely to sustain life. The new Food for Peace Act of 1966 explicitly described self-help measures to increase per capita food production and improved storage and distribution. The qualitative and nutritive as well as the quantitative aspects of food supply were emphasized in the War on Hunger. Policy Determination 35 issued Nov. 11, 1966, contained three paragraphs of specific interest to this study as follows:

"The need for strengthening indigenous LDC scientific and technological capacity in food and agriculture is endorsed in the new section 211(e) of the Foreign Assistance Act of 1966. This amendment, which gives high priority to increasing agricultural production, particularly through adaptive agricultural research programs, is a key element in AID's technical assistance and research policy.

"Title IX of the Foreign Assistance Act of 1966 emphasizes maximum participation in economic development activities by the people of the less developed countries through democratic, private and local government institutions. AID's program of institution building will stress the active and contributory role of rural, food producing people.

"The new institutional grant authority contained in Section 211(d) of the Foreign Assistance Act of 1966 provides for strengthening the capacity of U.S. research and educational institutions for economic and social development. AID's administration of this activity will give primary emphasis to the War on Hunger."

Recognition of the population end of the Malthusian ratio was not far behind and was officially promulgated in Policy Determination 39, issued November 3, 1967, on Population and Family Planning Programs. The Population Service was created in the recently established Office of the War on Hunger which signalled the first shift from an almost exclusive

geographic or country emphasis to a functional or problem emphasis. While priority consideration was promised for host country and mission proposals, there was recognition that U.S. assistance would also be necessary through regional programs, where appropriate, or obtaining advice and help in family planning from private and multilateral organizations. The need to identify program weaknesses which require long-range support was also recognized. These were stated as usually requiring institutional development in several areas such as public administration, public health services, education, evaluation, research and logistics capability. Both the Policy Determinations mentioned above had an immediate impact on the allocation of 211(d) institutional grant and central research funds for agricultural and population projects.

During the same period, another significant Policy Determination was issued regarding "AID's Role with Respect to Non-AID Resources in the Total Foreign Assistance Effort". Issued on February 10, 1967 as PD-37, this statement attempted to both confine AID's role as just one of several free world and multilateral aid donors and to recognize its role basically as a catalyst, coordinator and channel. This last "role" is most important in reference to this study since it stated that, "AID is not staffed to provide, through its own direct-hire personnel, all the required technical assistance which it is capable of financing. Therefore, other sources of personnel must be tapped. . . through contract and interagency agreements, AID must, by law as well as policy, draw upon the technical resources of governmental and private institutions to the fullest extent practical".

The order of preference for obtaining skilled personnel was stated as (a) by contract with nongovernmental organizations, (b) by participating agency agreement with other federal, state or local government agencies, and (c) by direct-hire. It became, therefore, AID's policy to restrict the use of direct-hire personnel. This policy was explained as being consistent with needs to "(a) shift as many projects as possible from grant to loan financing, (b) foster an increased assumption by competent borrowers and grantees of implementing responsibility for AID-financed projects, (c) facilitate, through concentration, the elimination of marginal activities and the relocation of technicians devoted to such activities, and (d) eliminate all but the smallest possible contingent of AID personnel, using such personnel primarily for policy, managerial, technical supervisory, and coordinating functions".

The PD explained why a nongovernmental institution would be favored. The policy determination stated that in such a case a relationship is created which has the potential--after secession of AID financing--of being independently extended or renewed for the mutual benefit of both parties and in furtherance of AID's broad objectives. The potential for "by-product assistance" does not exist when the job is accomplished by government personnel. Nor does it often exist when single individuals are placed on the contract. It is AID policy, therefore, to seek, wherever possible, to tap the private community for needed skills by placing firms or institutions rather than single individuals under contract. This policy required AID to contract for such skills on a project-by-project rather than an expert-by-expert basis, to the maximum extent practical. To some extent, this statement

simply recognized what already was happening in terms of contract versus direct-hire personnel. But as later exercises such as BALPA I and II started forcing the Agency to look to alternatives to direct hire personnel, this statement took on increasing importance.

As a follow-up to the Gardiner report, the U.S.-university community, particularly the land grant colleges and universities, and AID participated in a joint effort to develop a more effective working relationship. The considerable staff work performed attempted to both recognize that technical assistance in general and institution building in particular was an innovative effort requiring close collaboration with all parties and which also recognized the peculiar interest and nature of American universities. The result was a new type of contract or agreement called the Institutional Development Agreement (IDA) which would bring the university into the earlier stages of project design and, within the general framework of objectives and agreed upon outputs, assume the responsibility for the day-to-day management of inputs without the daily interference of AID. Seven projects were picked as an experiment.

Another organizational manifestation of the trend towards more attention to the functional or problem approach and the increasing importance of non-country specific activity was evident in the creation of the Technical Assistance Bureau in late 1969. Within a short time, TAB developed the Key Problem Area approach, a programming technique for allocating central resources between general technical services, research and 211(d) grant projects to the problems of major significance affecting many developing

countries. The Bureau assumed the central management responsibility for the 211(d) grant and research programs with an increasingly larger inter-regional budget. By the end of the '60's, a considerable on-going research portfolio had been established and concern was changing to means of disseminating and utilizing research results and tying them in more effectively with country needs. The Research and Institutional Grant Committee was set up to review proposed grant and research projects and an outside group, The Research Advisory Committee, was established to pass on all research projects. Concern with the quality and the effectiveness of technical assistance and the instruments and agents for applying such assistance was again clearly a major Agency consideration. While the situation was not a return to the heyday of the technical offices' power in the Agency hierarchy of the '50's, clearly the Agency concern of resource transfers to the almost exclusion of technical assistance and research was over.

#### IV. A Development Strategy for the '70's--Another Decade

On February 18, 1970, President Nixon made a report to the Congress entitled "U.S. Foreign Policy for the 1970's--A New Strategy for Peace", which set the context for subsequent development assistance strategy. Peace through partnership was the heart of the Nixon doctrine. As applied to development assistance this doctrine was strongly influenced by the Rockefeller Mission to Latin America which concluded that the United States should contribute not dominate and that we had to shape a relationship that would encourage other nations to help themselves. Our basic role was to persuade and supplement and not prescribe. New emphasis was given to multilateral and regional cooperation. The report stated that economic

assistance should not be viewed as a panacea for international stability, for political development, or even economic progress. It is a means of helping and supplementing the efforts of nations which are able to mobilize the resources and energies of their own people. There are no shortcuts to economic and social progress. While still awaiting the recommendations of the Peterson Task Force on international development, the Administration had already adopted several policies including:

- multilateral institutions must play an increasing role in the provision of aid
- the developing countries themselves must play a larger part in formulating their own development strategies
- our bilateral aid must carry fewer restrictions
- private investment must play a central role in the development process, to whatever extent desired by the developing nations themselves
- trade policy must recognize the special needs of developing countries

In President Nixon's first message to Congress on "New Directions in Foreign Aid" he proposed a strong emphasis on technical assistance with concentration in the areas of agriculture, education and family planning. The Technical Assistance Bureau was mentioned as an effort to reorganize and revitalize U.S. technical assistance activities. The President also stated that technical assistance is an important way for private U.S. organizations to participate in development. U.S. technical

assistance personnel serving abroad must increasingly come from private firms, universities and colleges, and non-profit service groups. We will seek to expand as broad use of the best of our American talent.

Shortly thereafter, a Presidential Task Force on International Development chaired by Rudolph A. Peterson, submitted its recommendations to the President on A New Approach for U.S. Foreign Assistance in the 1970's. It proposed major policy and organizational changes including the separation of development programs from U.S. military and economic programs that provide assistance for security purposes.

The Task Force also recommended a basic change in the composition, method of operation, and administration of the current technical assistance program. A new institute was proposed which would concentrate on four major areas: (1) programs to deal with the population problem; (2) research, both in the United States and abroad but heavy emphasis on strengthening local institutions in the developing countries. New technologies are urgently needed to provide breakthroughs in a variety of fields essential to broad base development. Citing the successful combination of the development of new seeds for rice and wheat as a model, the Task Force recommended the U.S. should strongly support similar long-range efforts in agriculture, health, education and other fields through national, regional and interregional projects; (3) training; and (4) support of social development.

In terms of methods of operation, the United States should seek to operate these programs more as a private foundation would. The current

practice of employing large numbers of technicians and advisory personnel in many fields and in many countries should be changed. Rather the U.S. should concentrate on a limited number of specific problems, particularly those having a regional or worldwide significance. In each program, it should seek agreement with the participant country or agency on specific goals, on cost sharing arrangements, and on plans for the country to take over the program sometime in the future. An increasing proportion of the work should be carried out largely through private channels--universities, scientific organizations, business firms, voluntary agencies, and special purpose organizations and people-to-people and institution-to-institution programs. The programs should rely heavily on scientific and professional experts from private institutions for specific assignments, rather than permanent employees. This would permit the United States to draw on a broad range of talent around the country. The suggested guidelines would mean greater expenditures than under the present program for research, population programs, training, support of local institutions and the UN development program, and considerably lower expenditures for American technicians and overhead services.

Most of the recommendations, particularly those concerning technical assistance and similar activities, were accepted by the President and included in his proposal sent to the Congress in September 1970. Specifically, the President proposed a new U.S. International Development Institute to bring the genius of U.S. science and technology to bear on the problems of development, to help build research and training competence in international

efforts dealing with such problems as population and employment. The President proposed that the United States channel a share of its development assistance through multilateral institutions as rapidly as practicable, with our remaining bilateral development assistance coordinated wherever feasible with the bilateral assistance of other donor countries.

The Institute was planned to fill a major gap in the international development network. It was to match U.S. vast talents in science and technology with institutions and problems abroad. Research, the message stated, has created the basis for the Green Revolution--the major breakthrough in agricultural production--but continued progress in the 1970's will require the lower income countries to deal with more and more complex problems. The Institute was to concentrate on selected areas and focus U.S. technology on critical problems. This requires flexibility, imagination and a minimum of red tape. If, the Message explains, we can provide this Institute with the operational flexibility enjoyed by our private foundations, we can make a major contribution to the lower income countries at a modest expense. The Institute as proposed could:

- concentrate U.S. scientific and technological talent on the problems of development
- help to develop research competence in the lower income countries themselves
- help develop institutional competence of governments to plan and manage their own development programs.
- support expanded research programs in population

- help finance the programs of U.S. sponsored schools, hospitals and other institutions abroad
- carry out a cooperative program of technical exchange and reimbursable technical services with those developing countries that do not require financial assistance
- cooperate in social development and training programs
- administer our technical assistance program
- permit greater reliance on private organizations and researchers

Pending the establishment of the Institute and other new organizations proposed, the President directed the Administrators of the present development programs to take steps to conform their programs as much as possible to the new concepts and approaches outlined.

In the fall of 1971, it became clear that Congress would postpone action on the President's proposed legislation. A top level task force was appointed to embark on an accelerated and basic internal reform towards a redirected economic assistance program, which was officially promulgated as the "Reform of the U.S. Economic Assistance Program" issued in a memorandum by the Administrator on January 24, 1972. This reform had a profound impact on technical assistance and devices concerned with the transfer of knowledge, some direct, other indirect. In response to the President's policy, AID had already put into practice numerous reforms including the reshaping of the technical assistance program to achieve greater responsiveness to the priorities of less developed countries with concentration in the major sectors of agriculture and food production, education, public health and

population, and public administration. A systematic effort was also underway to engage American private organizations more effectively in the application of American technical and scientific capabilities to help the less developed countries. No longer was the straight transfer of resources in a properly programmed country context viewed as a sufficient condition to assure progress and development. New solutions were called for in developing new approaches in financing and management of research, and the diffusion of information and technology. The Agency would, for example, attempt increasingly to divert its efforts to finding solutions to problems common to many countries rather than, as in the past, continuing to focus endeavors in the nearly exclusive country-by-country approach.

A more collaborative style of assistance was called for recognizing that people of the LDCs are the keystone of a redirected program. Broad participation by American private groups and the practical work of development was emphasized with a major role for American universities. The assigned task is to find fresh ways of relating innovative, creative and knowledgeable individuals and institutions in our society to developing country individuals and institutions in such a way that the quality of the lives and the productive capacities of the people in these countries can be improved. The assistance techniques must be adjusted to changing realities in the developing countries. The preferred mode is joint problem-solving by LDC and American personnel. Within this context, AID's role will increasingly be to plan development programs, to help fund private organizations to design and execute development activities in collaboration

with experts and institutions in the developing country and then to monitor the progress and results. The Agency is to experiment further with new techniques to encourage more direct professional collaboration between developing countries and American institutions with the minimum of direct U.S. government supervision. More work is called for in developing techniques which simplify the administration of aid and reduce overhead, personnel and administrative costs.

The Reform calls for programming economic assistance more directly to meet basic human needs rather than primarily for overall country growth. We will seek to do this by increasingly applying our country's best technological, management and research capabilities to helping solve their problems. Agriculture and food production, education, population, and public health were singled out as areas of special concentration. The adoption of sector strategies was called for to improve AID analyses, enable better project selection, and provide a sound basis for attention to development policy issues and priorities. By focussing on major sectoral problems, it is assumed it would be easier to engage the best professional talent in AID programs.

Emphasis on research and innovation reached its peak with one of AID's primary role being as an innovator in development. Specific targets included:

- increasing the efforts of both U.S. public and private research institutions on critical development country problems:

- increased AID efforts particularly in the areas of applied research concerned with innovative application of technology and new forms of institutional development;
- more emphasis on strengthening the capacity of developing country research institutions and personnel;
- encouraging selected international research institutions linked to institutions in the developing countries;
- more systematic evaluation of AID financed research to get better returns in terms of utilization in the developing countries.

A central concept in furthering development of the research capabilities of the poorer countries will be the welding and strengthening of world-wide networks of institutions doing comparable research. The Technical Assistance Bureau, started as a pioneering effort in technical innovation, was now charged with the major task of providing leadership in research, program development and technical assistance policy for Agency-wide application. Following the promulgation of this Reform, a series of policy determinations were developed which affect the programming, style and concern of knowledge transfers. The first, PD 47, issued in Sept. of last year, provided guidelines on strengthening the innovative and research thrust of AID programs. Central program strategies need to reflect the global pattern of country level and regional concerns both current and longer term. At the same time, country and regional strategy should endeavor to concentrate activities where the U.S. has the strongest actual or potential response

capabilities. Guidance was provided for strengthening the innovative content of AID activities at country level and the contribution of these activities to global progress towards solving LDC problems, including the use of their good offices and appropriate financial support to help selected LDC institutions build linkages on high priority problems involving joint research, technical and training help and/or information exchange with international and other national research programs.

The central technical offices were given the responsibility for supporting the build up of global networks of mutually supporting research, information and technical assistance activities, in priority subject areas. Networks are encouraged to achieve "critical massing" of resources and efforts for breakthroughs on important LDC problems. Priorities for research projects, 211(d) grants and central technical assistance support projects will be developed from statements of what the global priority development programs are within broad sectors and how they related to other Agency activities to the activities of other assistance organizations. To assure success, AID must stress:

- initial assessment of periodic review of the relative value of anticipated results and the cost of the research;
- expert assessment of the design, methodology and management of research projects;
- active expansion of the use of research findings and 211(d) capabilities.

The statement particularly mentioned that allocation for 211(d) grants will be based on assessment of the most important gaps in U.S. capabilities

for working in priority problem areas.

On October 1972, in PD 48, the Agency officially recognized the unequal participation in the benefits of development and issued a new set of employment and income distribution objectives for AID programs and policies. Three important causes of the present situation were listed as:

- (1) the population explosion of the 1950's and 60's which is now being reflected in labor force, a growth rate of 2 to 3% in most developing countries;
- (2) the transfer of technology developed by and for industrialized countries and therefore often inappropriate for countries characterized by relative scarcity of capital and abundance of labor, a process which is encouraged by policies which distort factor prices by undervaluing capital and overvaluing labor;
- (3) an institutional structure which tends to favor well established enterprises and interest groups and to provide inferior access for small operators in agriculture and industry.

Henceforth, capital and technical assistance project proposals will be required to include a section explaining what attention was given to employment and income distribution considerations. The Agency is called upon to create a more employable and productive labor force, raise social mobility and expand the opportunities open to the poor. This effort is to be supported by research which will undertake to explore what social economic groups benefit different types of human resource development programs. Special attention in the training of LDC administrators and

technicians should be paid to the employment and income implications of public policies and of technology which avoids techniques and approaches which are functional for capital rich labor scarce economies but often dysfunctional for the capital scarce labor surplus developing world. Agriculture is to receive major emphasis. AID is to collaborate with international and national institutions and support improvement of the concepts and measurement of employment and income distribution in LDCs. In its own research strategy, AID is to give special priority to research undertakings designed to increase understanding of employment and income distribution in relation to other economic and social parameters and lead to conclusions about measures which could be utilized by LDC governments and donor agencies. Full participation of LDC institutions and scholars and such research is encouraged. AID missions are also encouraged to stimulate and support LDC research in this area.

On October 16, PD 49 was issued on regional bureau relationships with TAB and interbureau coordination on sector emphasis and priority development problems. In this PD it was stated that the Agency is seeking to assure both that:

- the best available talent for identifying and assessing technological alternatives is applied at program development and evaluation stages; and that
- the most competent professional talent available is used for project implementation.

It continues that Agency efforts to decrease direct hire staff ceilings for professional talents within AID, together with the limited availability

outside of the Agency of the highest quality talent for LDC service, requires fullest feasible husbanding of these scarce technical resources for best overall Agency and LDC use. TAB's function is to provide AID with a high quality professional response capability that it needs to assist LDCs with priority development programs on which AID is concentrating globally. This includes forward looking research and development work to build response capabilities of knowledge, people and organizations. It also includes responsibility for mobilizing (and helping to develop) the best feasible response capability for field needs. In discussing sector analysis and strategy development, TAB is given the long-term responsibility for developing sector analysis methodology and for experimental testing of various analytical tools. Except to the extent such capacity currently exists, regional bureaus are encouraged as a general practice not to use direct hire staff in conducting extensive sector analysis, but rather utilize AID consultants or other federal agencies staff resources, contracts with American private organizations or individuals, and/or sector analyses done by international organizations as far as feasible.

Still another dimension which affects the transfer of knowledge was added in January of this year when PD 50 on AID and the relatively less developed countries was issued. Recognizing the unique conditions of the RLDCs, AID's assistance strategy is now to include the development of policies and approaches for special measures of assistance to these countries. Emphasis was given to a multilateral approach and for the analysis of priority needs and constraints to development, both for individual countries and groups of countries possibly sharing common problems.

The PD states that there is a great need for systematic analysis of the development and assistance experience of adaptive research to relate development policies, practices, strategies and tools to the special circumstances of the RLDCs. For example, in the field of education, only a beginning has been made towards the development of education systems and strategies relative to the conditions and requirements of the least developed. Much of our existing knowledge is based upon research and investigations of physical economic and social conditions different of those common to developing countries, and little of the research on developing countries has focussed on these special problems of the least developed. Major underlining physical, environmental and resource conditions or restraints (e.g., the encroachment of arid lands in the sub-Sahara region) need to be tackled systematically and scientifically. The policy determination states that priority shall be given to development of a program of research and evaluation, in cooperation with similar research organizations and LDC institutions in the developing countries, oriented towards the needs of the least developed countries. In addition, special efforts will be made to link the least developed countries with existing or emerging international research networks. The preferred U.S. assistance approach is given as participation in multilateral and regional assistance programs and activities.

On the same date, via PD 51, the first global sector strategy statement was issued titled "Guidance Statement on Selected Aspects of Science and Technology". The statement describes an AID program to assist developing countries with selected aspects of the problem of technological transfer and adaptation, as a supplement to AID's priority programs in agriculture,

population and health, education, etc. The statement again recognizes that experience has demonstrated that comparatively little U.S. technology can be transferred to LDCs without significant adaptation. This PD is unique not only because it is the first attempt at a global sector statement, but also because it deals with a program which heretofore, except at the central level, has not been viewed as a separate discipline from the normal functional areas. Of particular interest to our review study is the fact that the statement assigns TAB the responsibility to coordinate and focus the use of Agency resources in research, institutional grants, and pilot programs to identify and establish innovative approaches to major problems impeding LDC development in the determined subsectors, manage the interregional components of such composite efforts, and provide technical advisory services to regions and missions on desirable linkages and content for related activities in their programs.

In President Nixon's message to Congress on May 1, 1973 transmitting the proposed Foreign Assistance legislation for FY 1974, the President discussed the focussing of AID on a few key areas. He stated that the Agency would ". . . deal with recipient countries as partners recognizing their growing expertise and their ability to determine their own development needs. While we help in the planning, funding, and monitoring of development programs, we no longer take the lead in setting priorities or in detailed execution". With the change from confrontation to negotiation with the Soviet Union and the People's Republic of China and the cease fire in Indo-China, the U.S. Foreign Assistance program could now concern itself with the

recognition of a basic truth which is essential to achieving a new and more stable structure of peace, namely the fact that 3/4 of the world population lives in developing nations and that we cannot achieve our aspirations for an expanded economy in a peaceful world community in isolation from these countries.

Today the developing nations present: first, a record of progress; second, a continuation of substantial problems many requiring new solutions; and third, a sense of confidence and independence as they face these problems. Across the globe, cadres of bright, energetic, well-trained technicians and managers have moved into positions of responsibility. They are confident of their ability to direct future development for the benefit of their own people. A new sense of distinctiveness, self-assertiveness and independence among the developing countries has emerged. The impressive momentum of the development process itself, the steady increasing of the capacity of the developing nations to manage their own resources, a functioning international development assistance system and the recognition of AID as a critical analyst in the achievements of the development decade, all have made it possible and timely to propose fundamental changes in the manner and method of providing U.S. development assistance.

The FY 74 presentation reflects a declining AID support for infrastructure in favor of concentration on three sectors--food production and nutrition, population planning and health and human resources development. It also reflects the action proposals formally announced by the AID Administrator in his Reform message in January 1972 which calls for a tighter, more responsive AID program characterized by:

- a more collaborative style of assistance
- concentration on a few key human problems
- increase emphasis on innovative activities
- application of sector analysis of programming
- increase of attention to the growing problems of income distribution and employment
- increased participation of U.S. private organizations in project planning, evaluation and implementation
- better integration of technical, capital and food assistance
- a reduced U.S. governmental presence and profile overseas.

The Congressional Presentation notes that in the 1960's, technical assistance activities emphasized the institutional bases for development. By the end of that decade, several significant changes had occurred.

- Most developing nations are better able to plot their courses and carry out their own development. In general, institutions built in the 1960's are operational in the 1970's.
- There was increased concern that economic development efforts be focussed on raising the quality of life for people in the developing countries.
- The success of the Green Revolution had demonstrated the great potential of research and related activities.

American scientific technological skills can be used to adapt and apply modern methods and technologies. In addition, attention must be given to sector-wide analyses in program management and evaluation to build institutional

capacity for long-term development. Finally, the impact of donor assistance must be expanded through improved coordination with other donors and collaboration with and support multilateral technical assistance activities.

Practically all technical assistance projects are now carried out through the active participation of intermediary organizations. AID will continue its efforts to use the competence and resources of U.S. multilateral organizations, public and private, to plan and implement development projects and cooperating with developing countries. Increasingly, implementation of projects will be primarily through other organizations, with AID's role limited to monitoring these operations. For the first time, the Congressional Presentation was on a functional base and one cannot fail to note in the discussion of each sector or area of concentration the emphasis given to the need for new knowledge. For example, under Food and Nutrition, it is stated that, "If the poor of the developing nations are to afford adequate amounts of protein, innovative ways must be found to create new, low cost foods and to increase the nutritive content in the traditional cereals and starchy foods which are the source of most of the world's calories and proteins. This is a key objective of the research and related activities to which AID will allocate \$31.8 million in FY 74".

Under the discussion of Population Planning and Health, AID's intent to intensify effort on low cost delivery systems is explained. "We are seeking new ways to provide family planning, preventive health, and nutrition services to far greater numbers of people at a cost that limited national

budgets can absorb and promise the lowest cost, greatest reliability, and widest application. Personal acceptance of family planning depends on a host of influences--economic, legal, social, cultural and religious. The FY 1974 program includes \$5.7 million--nearly a five fold increase over FY 1972--for research, pilot, and operational projects designed to understand better the determinants of acceptance of family planning." Another \$15.9 is requested for continued support of research on both fertility and disease control.

Finally, under the program of Human Resources Development, the submission states that "it is now clear that these countries cannot afford universal education according to western standards; and that, moreover, our academic pattern is often inappropriate in the developing country. These countries must develop nontraditional, low-cost systems of education if the tide of illiteracy is to be rolled back and people are to participate in the process of development. Learning systems that can reach larger numbers of people at lower costs must be found. New concepts of systems must be designed and tested before they are adopted on a wide scale. In FY 1974, \$2.7 million is programmed for research and for test of low cost nonformal education methods in countries such as Korea and Guatemala." This submission goes on to explain how that in order to achieve a greater impact on specific problems, a significant part of AID's investment in education will shift to sector loans.

The only new thrust concerns the 25 least developed countries. But it must be considered as highly significant that the Agency decided to present

its request basically on a problem-oriented rather than the traditional country or regional basis. It is also interesting to note and speculate that in the first reaction to the presentation, that is by the House Committee on Foreign Affairs, the Committee itself rewrote the Bill to put authorization on a problem or functional basis.

#### V. A Look Down the Road

Our first glimpse of the future particularly as it concerns field missions can be gleaned from the Development Assistance Planning (DAP) guidance given to missions for preparation of the FY 1974 program. It outlines new approaches for development assistance which formed a significant part of the AID Reform plan. The concept of program and sector concentration was explained and the intent to develop priority development problems. Of particular interest was the note that inherent in this process of program concentration is greater integration of the development programs initiated in the field with the research, pilot studies and other activities programmed from AID/W. Specifically, we want to build stronger links between individual country programs and the Agency's global attack on problems through regional and international research pilot programs. Discussing necessary changes in field operations, the airgram placed particular stress on the utilization of private organizations. Specifically, it stated that "increasingly, field missions are expected to rely upon private organizations--universities, private firms, personal service contractors, foundations--and other government agencies as contractor's or grantees to design, implement and evaluate development activities in collaboration with the technicians and institutions of the developing countries.

The last section of this guidance, which concerned research, innovation and development, called for a greater integration of links between AID's central research efforts, 211(d) grants, pilot research projects, and operational programs in the field. Research is to be conducted in the LDCs to the maximum extent feasible thereby involving various institutions and personnel so as to relate more effectively to the social and economic setting that surrounds the problem and to create the LDC capacity to carry on the work. Research efforts in the LDCs will be linked wherever possible to similar efforts in the U.S., in other countries and to international research institutes. Missions were encouraged to build research elements into their development assistance programs and to recommend priority problem areas requiring additional research. In this respect the field was advised that the identification of opportunities to support research and innovative activities at the country level will be more productive if they are tied into emerging regional and international networks involving the U.S. and other donors. Additional expert resources may also be available for country specific problems at reduced incremental costs and/or time which, in turn, may have significant regional or worldwide ramifications. The attention of the field was particularly directed to the special resources of knowledge and people created by the Agency's central programs for research and 211(d) institutional grants. Mission recommendations were sought regarding how existing central research and 211(d) grants could be made more relevant to country programs.

In April of this year AIDTO Circ. A-461 was sent to the field on Program Planning for FY 1975 and Beyond. The sections on program concentration and priorities included the following statements of interest to this

study group. Program concentration will also enable AID to strengthen its analytical and response capacity and to improve the linkage between our research efforts and our operational programs in the field. Our 211(d) institutional grants to strengthen U.S. institutions response capability and support of international research networks are increasingly geared to the same priority sectors and problems. Existing institutions, delivery systems and technology are often not relevant to LDC problems of population growth, nutrition, mass unemployment and low cost health and education systems. This deficiency requires a concentrated problem solving approach by AID in which field programs are backed up by research and pilot programs in the LDCs as well as the continued expansion of U.S. and international expertise in these areas. In discussing AID's decision to focus on certain priority development problems, it would recognize that some problems are pioneering efforts which need more time and research to develop relevant technologies and delivery systems before we can proceed on a large scale. There will also continue to be individual activities outside country areas of concentration, some of which will be geared to researching new problems or possible areas of concentration for the future as in the case of science and technology. They all should demonstrate that they are supportive of the Agency's main concern for accelerated economic growth and social development.

In discussing general policy considerations, the Agency is again admonished that in implementing its programs, it is necessary to give continued attention to maximizing the use of U.S. contractors, universities,

and U.S. private voluntary agencies. In addition, LDC institutions and technicians should come into a more effective partnership in planning and managing AID programs. The message repeats its concern of last year's guidance on the necessity to relate Agency central funded research more closely to priority development problems of the LDCs and to the concerns of AID missions in the field. The conviction is stated that despite differences among LDC countries, they have many problems in common, and new approaches to these problems can be discovered through international efforts, combining research and LDC institutions and the private and public sectors of the developed countries. AID/W will provide periodic reports on the results of AID research which will be of importance to country program activities. Missions, in developing country programs, are urged to enumerate and describe those gaps and information and understanding which inhibit the host country from addressing development problems more effectively. Missions are encouraged to submit assistance proposals supporting research and development problems in LDC institutions, particularly on food production and nutrition, population and health, and education--areas where innovation appears to be critical for most of the LDCs. Three countries in each region were selected for preparation of DAPs by the end of CY '73.

Annex A to this field message describes the DAP content and building process which will provide a multi-action plan for each country where we expect to carry on a significant AID program over the next few years. The DAP is focussed analytically on priority sectors and problems within or among them rather than on aggregate development issues. It is a multi-year

document that reflects broad agreement between the recipient country and the U.S. on those areas where AID will concentrate its attention over the next several years. It will include two basic parts: a summary narrative statement of the country development situation and the rationale and strategy for U.S. assistance and (b) sector assessments. The sector or sub-sector assessments will be used to select the top two or three constraints on development, i.e., priority development problems, and will set up the nature of the principal constraints and what role foreign assistance can play. The DAP is the place where overall Agency priorities and the special requirements of individual country programs come together. An approved DAP will constitute an action plan for a particular country or area which reflects the application of the overall Agency priorities to a particular country situation. The process of developing these DAPs, with AID/W participation in many cases, can be expected to both reflect Agency priorities and in turn define the first meaningful interaction between real needs and centrally determined priorities. If effectively carried out it will both identify knowledge gaps which can provide direction to the Agency's research efforts and give a clear indication of the type and quality and amount of technical assistance likely to be required.

It is also evident that the style of assistance both as it affects direct hire employees of the Agency and its intermediaries, in this case particularly the universities, has already started through a transition which reflects both the more collaborative style with the recipient institutions and removal of AID from the direct supervisory role. The Administrator's Advisory Council approved many recommendations presented to it regarding

improvements for instruments for increased use of non-government organizations and the transfer of implementation responsibility to the intermediaries or the LDCs. Policy determinations are under consideration which will: encourage direct grants to private organizations; provide for closer and cooperative relationship between AID and university contractors; encourage the use of country contracts under appropriate circumstances; and reduce or eliminate the extent and nature of clearance or pre-approval requirements for AID financed contracts and grants.

More recently, AA/SER concluded a manpower study to forecast in general magnitudes AID long-run manpower skill requirements for technical and program management personnel. In conformance with AID's new role and style, with few exceptions, specific technical expertise will have to come from outside the Agency, that is for part-time consultants, other federal agencies, contract personnel and other outsiders. The direct hire consultant or technical specialist is in the process of disappearing with the remaining career group being technical generalists who can participate in the program development and management process left to the Agency. Even in these cases, particularly concerning sector analysis, program planning and project design, he will often have to call on outside experts for temporary help and intermediaries for discrete parts of the process. This will be true both in Washington and field missions. The question relevant to this study is how much of an institutional base and capacity is necessary to provide an adequate talent bank for the critical functions that AID will now have to rely for outside assistance.