Mr. S. Levin
AA/DSB

EXSTAFF

PNAAN327

20 NOV 1978

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

THRU: ES

FROM: AA/NE, /s/ Joseph C. Wheeler

SUBJECT: Booz, Allen and Hamilton Study

We have reviewed the Booz, Allen and Hamilton Study entitled Study of Selected Aspects of the Project Assistance Cycle. Overall, we found the report most informative, particularly the percentage distribution of workload and manpower between CDSS, ABS, CP, and Project Development. However, we wish to forward a number of comments and observations.

1. We do not agree with the Assessment of the Frequency of Substantial Change in DA Projects Associated with the AID/W Review and Approval Process (P III-15). The eight (8) main items used in the questionnaire to reflect substantial change resulting from AID/W review are not relevant to the Regional Bureaus. Nor can we accept the conclusion based on the questionnaire that the proportion of the "substantial changes" attributable to AID/W review was only 16%. Furthermore, since the BAH questionnaire did not indicate what major factors were included in the "other" category, we have no way of knowing if those should be considered "substantial." From our experience, what is missing from the BAH questionnaire list of "substantial" changes are changes in project implementation planning, changes in conditions precedent and covenants and changes in evaluation approaches, which result from the Near East Bureau project reviews. We find that these areas are almost always discussed in our Bureau reviews, with changes occurring more frequently than represented by the BAH 16%. We would suspect that other Bureaus also experience "sigrificant" changes in the same areas.

2. We agree that it may not be possible to dramatically compress the elapsed time for project development since the project design aspects require the largest segment of time. It should be noted that there are wide variations in elapsed time in project development/authorization because of varying project complexities and feasibility study efforts required. However, we do not feel that much time can be saved by streamlining the review and approval process. In the case of the Near East Bureau, we use the Near East Advisory Committee review, which I or my Deputy chairs, to assure that projects are soundly based, are susceptible to effective implementation and that projects adhere to legislative requirements and Agency policies. Our policy in the Near East Bureau is to complete our review of PID's and PP's within a 30 working-day period -- from receipt to approval/disapproval. Our experience over the past 12 months based on Bureau records comes close to the 30-day work-day review period. When one compares the 30 work days with the total time elapsed for project development and implementation (about 5 years on an average), the proportion of the time devoted to AID/W review is small indeed.

3. The study notes that the ABS provides for a second review of PID's (P III-8). This has not been the case in Near East, since we only have one PID review, either at the time of the ABS when many PID's are received or at other times during the year on a decycled basis.

4. We agree that too frequent changes in project assistance documentation procedures (P VI-5) has created a lack of understanding and clarity among Mission and Washington staffs that use these procedures. We do not feel, however, that project assistance procedures need major overhaul. Since most of the project procedures have only recently been modified, there is a need to permit these procedures to be understood by A.I.D. staff and put to use. We believe that, with continued fine tuning, the existing project assistance procedures are workable.

5. The study appeared to concentrate on statistical comparisons, cumulation of data, extrapolation, etc., rather than to better understand what the statistics mean, why certain project assistance problems occur, and what to do about them. While the latter items may go beyond the scope of the study, it is unfortunate that the "surveyors' did not take advantage of the interviews with Program and Project managers to obtain a better understanding of the problems and the possible solutions.

6. Finally, we have some questions on the time period used to enumerate the elapsed time in the project development and approval process. In the case of the Near East Bureau, we do not feel that the sample reflects accurately the time presently involved in the project development/approval process. Eleven of the nineteen projects sampled involved projects where Agreements were signed in 1975 and 1976 with project development in 1974 and 1975. Since 1974/5, there has been much change in the Agency's documentation and project assistance procedures (all for the better). In the Near East Bureau, there has been much tightening of our review procedures and scheduling which represents much improvement in how we presently do our business compared to the pre-1976 period.

NE/PD:SATaubenblatt:ft:11/20/78:X29122

cc: AA/ASIA, Mr. J. H. Sullivan
AA/AFRICA, Ms. G. T. Butcher
AA/LAC, Mr. A. L. Valdez
A/AID, Mr. G. Wing
AA/DSB, Mr. S. Levin

Clearances:
NE/TECH:WFGelabert (draft)
NE/DP:BLangmaid (draft)
DAA/NE:ADWhite_____

PN-AAN-327/62
ISN-30121

Study of Selected Aspects of the Project Assistance Cycle

Contract Number AID/otr-C-1689

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D.C.

Booz, Allen & Hamilton, Inc.
October 13, 1978

This report is of a confidential nature and intended solely for the information of the client to whom it is addressed.

BOOZ · ALLEN & HAMILTON Inc.
Management Consultants

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October 13, 1978

John J. Gilligan
Administrator
United States Agency for International Development
320 21st Street, N.W.
Washington, D.C. 20523

Dear Mr. Gilligan:

Booz, Allen and Hamilton is pleased to submit this Final Report of our Study of Selected Aspects of the Project Assistance Cycle. The Final Report includes an Executive Summary and is presented in six chapters:

- Background, Objective and Approach
- Overview of Project Assistance Documentation
- Project Approval Track
- Annual Budget Submission Process
- Congressional Presentation Process
- Conclusions.

Detailed descriptions of the methodologies utilized in the study are presented in three Appendices attached to this Final Report.

We wish to express our appreciation and gratitude for the cooperation and assistance of Agency staff who participated in the study. There was a high level of interest in the study, and the Booz, Allen team has enjoyed the professional relationships which developed with all concerned.

We would be pleased to answer any questions that you may have. Please let us know if we can be of further assistance.

Very truly yours,

Booz, Allen & Hamilton

Booz, Allen & Hamilton, Inc.

Douglas T. Purvance
Vice President

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EXECUTIVE SUMMARY

The United States Agency for International Development contracted with Booz, Allen and Hamilton, Inc., to conduct a study responding to the Administrator's need for further information on the Agency's Project Assistance Cycle. The objective of the study was to document the time and resource requirements associated with selected aspects of the Project Assistance Cycle. The statement of work required the development of estimates of the elapsed time, staff effort and total costs associated with:

- Project development and approval
- Annual Budget Submission
- Congressional Presentation.

Other issues to be assessed in the study were the frequency with which substantive changes were made to projects in development and the variations in treatment of large versus small projects.

1. STUDY APPROACH AND LIMITATIONS

To meet study requirements specified in the statement of work, several activities were undertaken:

- An information base on Agency operations related to the Project Assistance Cycle was developed from pertinent documentation.

- Two data collection approaches were designed and implemented:

  - Project file review of 80 Development Assistance Projects selected by a stratified random sampling technique

  - Interviews with 70 Agency staff in AID/W geographic and central Bureaus.

There was recognition at the outset of the study that significant time and data limitations would constrain the study.

- The 6-week period of performance did not permit an independent assessment of key questions for investigation and resulted in utilization of the statement of work as the technical framework for the study.

- There were several limitations on the type and quality of data available for the study's objective:

  - The evolution of the Project Assistance Cycle over recent years limits comparability of data.

  - There was a question about the availability and consistency of data throughout the Agency in the required level of detail.

  - Direct data collection from AID overseas organizations was precluded.

Given the time available, study methodologies were designed to compile information that was representative of the current and recent past situation of the Agency.

2. MAJOR FINDINGS

The major findings that emerged from the study are summarized below.

- Several broad characteristics contribute to the complexity and the duration of the project development and approval process.

  - Demand for detailed documentation

  - Lack of clear delegation of project management responsibility

  - Review requirements that are neither well documented nor consistently observed.

- The project development and approval process was found to have a mean elapsed time of 19.7 months.

- Elapsed time for project development and approval varied among the geographic Bureaus:

- LAC shortest at 14.9 months
- Africa longest at 23.0 months

. There was general comparability between estimates of level of effort and elapsed processing time for project development in all geographic Bureaus.

. There was no apparent relationship between size of project and elapsed time, and variability in processing time did not appear related to any one characteristic.

. Approximately 16 percent of project files reviewed experienced substantial change as defined in the statement of work. Interviews suggested that an additional 12 percent of projects experienced changes that were not included in the pre-defined categories of change.

. The AID/W geographic Bureaus devote between 8 and 10 percent of their effort to development of the Annual Budget Submission (ABS) and the Congressional Presentation (CP), respectively.

. The difficulty associated with the ABS and the CP appears to be related to the intensity as well as the volume of the work efforts.

. The project assistance cycle is estimated to consume 813 Federal staff years and $59.(illion annually. The staff years break down as follows:

- 410--Project Development Cycle
- 198--Annual Budget Submissions
- 205--Congressional Presentation

3. MAJOR CONCLUSIONS

The major conclusions of this study are presented below.

. There have been frequent changes in Project Assistance Cycle procedures in recent years which are associated with:

- Lack of clarity and understanding of current requirements

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- Some inefficiencies due to loss of learning

- Resistance to change.

. It may not be possible to dramatically compress the elapsed time for project development

  - The design aspects of the development process require the largest amount of time.

  - Streamlining the review and approval process would provide some time savings.

  - Developing more manageable project documentation requirements could result in significant time savings.

. Increased efficiency will be realized in the Project Assistance Cycle if:

  - The demand for documentation can be reduced or simplified.

  - Recommended changes in procedures and documentation anticipate implementation problems.

  - Management control and decision-making activities are clarified and strengthened.

. The reasonableness of the time and resources devoted currently to the Project Assistance Cycle cannot be evaluated on the basis of this study's findings.

A perspective on the relative amount of time devoted to the Project Assistance Cycle is provided in Exhibit 1, following this page. This exhibit presents estimates of the amount of AID/W and field mission time and resources devoted to the CDSS process, the project development process, the two budgetary processes and other Agency activities. The information in the exhibit is illuminative but preliminary. Before the full implications of these initial results are known, several activities would need to be undertaken, including:

. Further and more rigorous examination of how the Agency's work is distributed in areas othe than the Project Assistance Cycle.

EXHIBIT 1
USAID RESOURCES DEVOTED TO MAJOR WORK PROCESSES

	CDSS	PID/PP	ABS	CP	Other[a]	Total
AID/W Person-Years	49.2[c]	309.0	166.3	193.5	1210.0	1928.0[b]
(Millions of Dollars)	$2.6	$16.8	$9.0	$8.3	$65.9	$102.6
Field Missions Person-Years	NA	470.6	31.3	11.2	3792.9	4306.0
(Millions of Dollars)	NA	$20.5	$3.7	$1.3	$154.0	$179.5
Total Person-Years	49.2+	779.6	197.6	204.7	5002.9	6234.0
(Millions of Dollars)	$2.6+	$37.3	$12.7	$9.6	$219.9	$282.1[d]

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a Includes project implementation, general administration, evaluation, interagency coordination, operating expense budget and all other Agency functions.

b Total staff directly involved in the Project Development, ABS, or CP cycles. All other staff costs are allocated across work processes.

c CDSS, ABS, and CP person-year figures represent Federal staff; PID/PP includes contractor and foreign national staff.

d Includes $40.9 million in program funds, in addition to total operating funds of $241.2 million.

- Development of process effectiveness measures to evaluate the relative contribution of work activities against their cost.

With these thoughts in mind, the exhibit indicates that the majority of AID/W's resources are devoted to activities other than those directly related to the Project Assistance Cycle.

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I. BACKGROUND, OBJECTIVE AND APPROACH

This chapter presents the background, objective and approach of a study conducted to assess the time and resource requirements associated with the Agency for International Development's (AID) processing and approval of Development Assistance (DA) projects and the preparation of the Annual Budget Submission (ABS) and Congressional Presentation (CP).

1. BACKGROUND AND OBJECTIVE

AID currently faces a potential requirement to administer substantially larger program levels without corresponding increases in assigned staff. In addressing this potential increased funding and in recognition of the need to quantify the time and cost associated with project development and the preparation of the Annual Budget Submission and Congressional Presentation, the Agency has contracted for the study described in this report.

(1) Background

AID was established on November 3, 1961 following the passage of the Foreign Assistance Act of 1961. The Agency is charged with the responsibility for the administration of economic assistance to less developed countries. This includes Development Assistance in the areas of food and nutrition, population planning, health, education and human resource, and certain other selected development problem areas; Security Support Assistance to promote economic or political stability; and a series of miscellaneous programs including such items as International Disaster Assistance, the Housing Guarantee Program, and in cooperation with the Department of Agriculture's Food for Peace Program.

The level of direct hire personnel within the Agency addressing these programs has been reduced significantly since 1968. This reduction has been incurred without corresponding decreases in the program levels administered. Exhibit I-1, following this page,

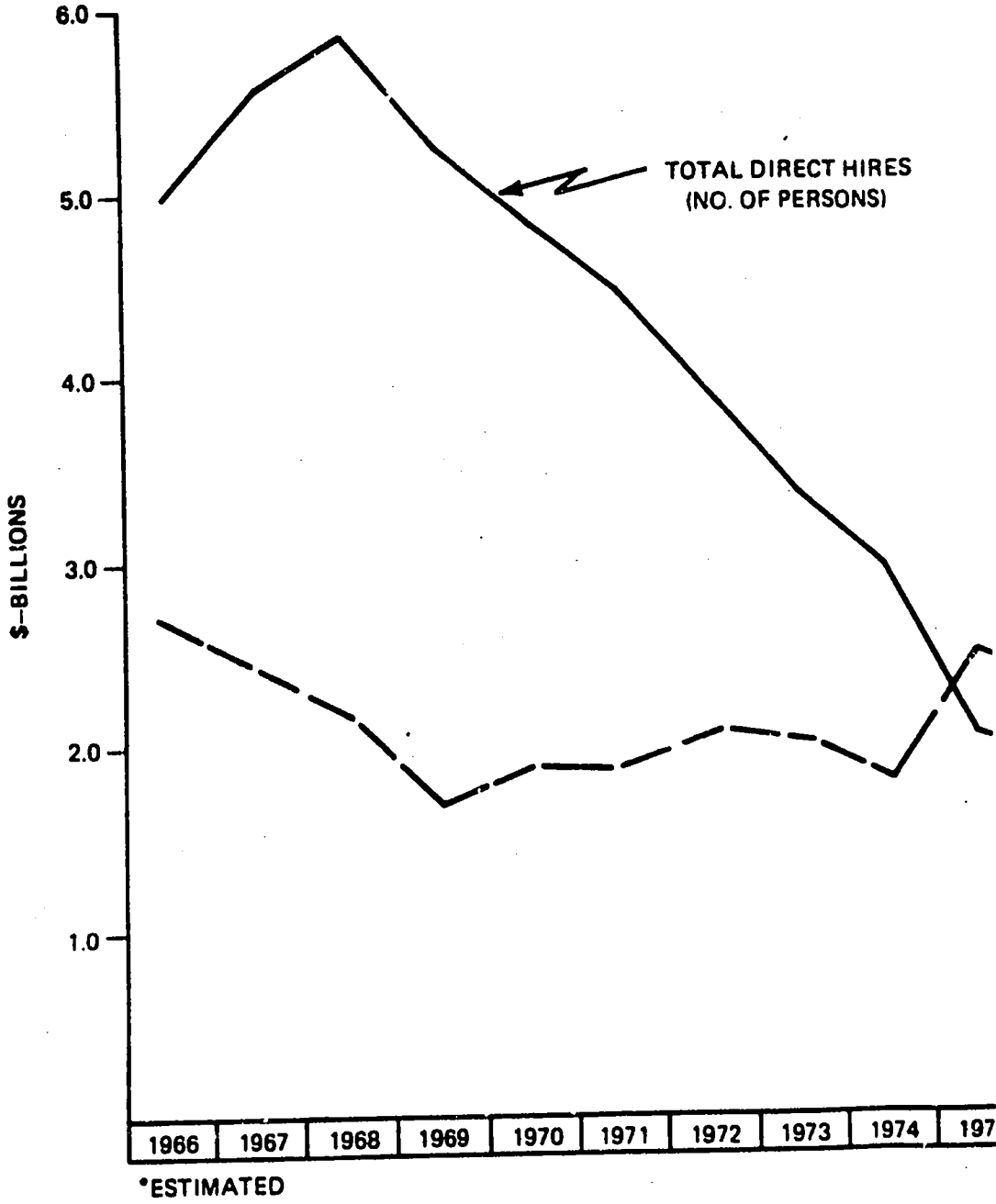
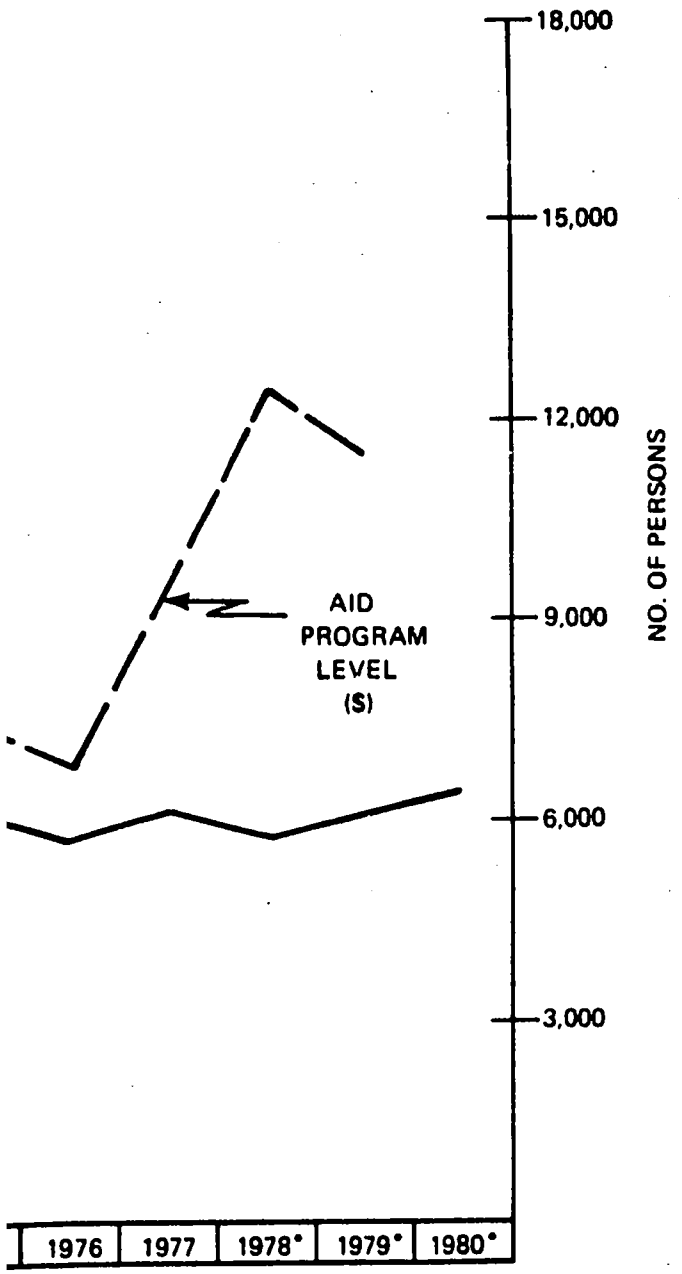

6.0
5.0
4.0
3.0
2.0
1.0
$-BILLIONS
TOTAL DIRECT HIRES
(NO. OF PERSONS)
1966
1967
1968
1969
1970
1971
1972
1973
1974
*ESTIMATED

EXHIBIT I-1
USAID
PROGRAM LEVEL VERSUS
DIRECT HIRES



graphically portrays this situation. This apparent imbalance has been exacerbated by the growing administrative requirements of the DA Program. These requirements which have resulted in the evolution of a progressively more elaborate project documentation and review process are rooted in:

- The technical complexities of international economic assistance
- The New Directions mandate that placed major emphasis on projects to benefit the poor majority in the developing world
- The centralization of the approval process in AID/W
- Congressional and public accountability.

The cumulative effect of these requirements has resulted in an increase in the time and resources required to obligate funds. In looking ahead to the near future and the prospects of larger program levels for AID, there is a vital concern over the Agency's ability to move resources to the developing countries efficiently and swiftly.

(2) Study Objective

The objective of this study as detailed to the Booz, Allen team was to develop information on the time and costs (in dollars and workyears) incurred under three key aspects of the present project assistance cycle: project identification, design, review and approval; the Annual Budget Submission; and the Congressional Presentation. This information was needed to focus on the alternatives available to the Agency relative to increasing the efficiency of the organization in the development of projects and the obligation of funds.

1. Project Identification, Design, Review and Approval

The four requirements associated with this process as defined in the contract statement of work were as follows:

- To identify the total costs in dollars and in workyears for the development, review and in country approval of Project Identification Document (PIDs) and Project Paper (PPs); and to identify the length of time required from preparation to approval of PIDs and PPs in country. Data were to be aggregated by geographic region.

- To identify the total cost, in dollars and workyears, of time spent by AID/W offices in the review and approval of field proposed PIDs and PPs. Also, to identify the length of time required from initial review through approval of PIDs and PPs. Data were to be aggregated by geographic region and were to include relevant time spent by all headquarters offices.

- To determine whether substantial changes are made in projects by AID/W between the PID approval and project approval stages. Substantial change was defined by AID as follows:

  - From one development area to another, e.g., from agriculture to health
  - From one geographic area to another, i.e., from Kenya to Tanzania
  - From one life of project (LOP) amount to another, e.g., at least double
  - From one host country agency to another
  - From technical assistance project to a commodity procurement project, or vice versa
  - Change in project components and/or other donor involvement
  - Project development deferment (for reasons other than obligation delays)

- To determine whether small projects are treated differently than large projects.

2. Annual Budget Submission

Determine the total costs, expressed in workyears and dollars, of the Annual Budget Submission from preparation by field missions and AID/W bureaus to review and approval by AID/W. Also, to identify the length of time required from ABS preparation through approval by AID/W.

3. Congressional Presentation

Determine the total costs, expressed in workyears and dollars, for Congressional Presentation preparations by overseas organizations and AID/W. This is to include the costs of preparing and presenting testimony, providing inserts, editing testimony, etc. In addition, the length of time required for the whole process was to be identified.

2. GENERAL APPROACH

In addressing the requirements of this study, it was initially recognized that there would be severe data and time constraints. The data constraints existed because the systems utilized by AID have been in a constant state of evolution, and there were serious questions relative to availability and consistency of data throughout the Agency in the detail required. When data were available they were utilized. When data were required supplementary information was developed through the interviewing of Agency personnel. In many instances the interview was the primary source of information for study activities. Because of the short duration of the study, these interviews were limited to AID personnel in the Washington area. Selected additional interviewing of key overseas AID organizations was precluded.

The second constraint was time, as there were only 6 weeks available to conduct this study effort. Given the time available, study methodologies were designed to compile information that was representative of the current and past situation within the Agency. In compiling this information,

data were accumulated for two organizational levels. The first was AID/W which included all Washington, D.C. elements of the organization[1]. The second was the field mission level consisting of all overseas arms of the Agency. A more detailed explanation of the organizational element treatment and apportionment is provided in Appendix A.

The specific study activities undertaken in support of the study objectives are presented in the following subsections.

(1) Information Base Development

The efforts associated with this activity were primarily concerned with developing background information relative to the project assistance cycle. This activity included two steps.

The first step involved marshaling and reviewing pertinent documentation. From this review general flow charts were constructed for: DA Project Identification, Design, Review and Approval; the Annual Budget preparation process; and the Congressional Presentation process.

Concurrent with the development of the flowcharts, a series of preliminary interviews were held with selected Agency personnel. These interviews were utilized to verify the results of the documentation review and to gather information needed to develop definitive specifications for the remaining study activities.

Efforts in regard to this first activity were completed over a 2-week period.

(2) Data Collection and Evaluation

This activity comprised the main effort on the study and involved accumulation and evaluation of data in support of the study objectives. The accumulation efforts involved two processes: review of project files and the conduct of interviews. Each of these

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1 For ease of handling, certain portions of the Washington organization not directly involved in project development were treated as overhead functions.

processes together with a description of how the report is organized are provided in the following subsections.

- Project File Review

  This effort was undertaken to develop elapsed time data for the DA project development cycle and to also develop information on the frequency of substantial changes and the treatment of small versus large projects.

  Time and date limitations necessitated that a sampling routine be developed to select project files for detailed review and analysis. The selection process for the 80-file sample, file review procedures, and methods of data aggregation are presented in Appendix B to this report.

- Agency Interviews

  Selected interviews were conducted with Agency personnel to develop primary source data relative to the Project Assistance Cycle Processes and distribution of work effort. Secondary source data relative to elapsed time, frequency of substantial change, and the treatment of large versus small projects were also collected.

  Essentially this process involved:

  - Selection of interview candidates to provide coverage of all Agency offices having a direct role in project development, budget submission preparation, or the preparation of the Congressional Presentation

  - Preparation of an interview guide which was distributed to candidates prior to the interviews when possible

  - Solicitation of information from the field missions relative to the work effort associated with project development and the preparation of input to the ABS and CP

- Conduct of the interview with selected AID/W[2] personnel and tabulation of results

- Development of cost data utilizing information provided by the Financial Management Office in interviews and data records that were made available for review.

Documentation of Study Findings

The final activity on this study involved documenting the findings and conclusions. Chapter I has presented the study background, objective, and general approach. The remainder of this report contains the following:

- Chapter II -- Overview of the Project Assistant Cycle processes in AID

- Chapter III -- Findings relative to the Project Approval Track

- Chapter IV -- Findings relative to the Annual Budget Submissions

- Chapter V -- Findings relative to the Congressional Presentation

- Chapter VI -- Conclusions.

In addition, the study contains several appendices each containing data that support the presentation made within the report.

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2 Included a limited number of recent returnees from field missions.

II. OVERVIEW OF THE PROJECT ASSISTANCE CYCLE

The previous chapter described some of the external requirements to which AID program documentation has had to respond. Other internal forces have also influenced the design and implementation of Project Assistance Cycles. Principal among these are:

- The policies, procedures and attitudes inherited from AID's predecessor organizations--the International Cooperation Administration, and the Development Loan Fund; and
- A continuing desire to reconcile both internal and external influences with the need for a more efficient and effective program and budgeting approach.

The combination of these factors and the changing information requirements of the Agency's many audiences has precipitated a rapid evolution in documentation methods and standards. This chapter briefly traces that evolution with the purpose of highlighting those changes that significantly affected current methods. It then describes the elements of the present Project Assistance Cycle, finally closing with a short discussion of the processes by which they are generated and the relationships among them.

1. EVOLUTION OF AID PROJECT ASSISTANCE DOCUMENTATION

Characteristics of AID's early Project Assistance Cycles were:

- An inclination to subject loans to much greater documentation detail and review than grants
- An emphasis on long-range planning and articulation of general action strategies, as opposed to generating detailed descriptions of project mechanics
- A unified project and budget review process, in which a single instrument served as the documentation vehicle

- A decentralized, mission-oriented project review authority.

These features were exemplified, for example, in the Long-Range Assistance Strategies of the early sixties. They limited project discussion to a listing of general approaches to be applied in addressing Less Developed Countries (LDC's) long-range needs. Technical assistance grant design was at the discretion of individual country missions and only budgets were subject to AID/W review. Loan Papers--hold-overs from the Development Loan Fund--doubled as budget documents.

But the decentralized posture was by no means a consistent one and, as time went on, successive revisions defined increasingly greater review authority for Washington. In the interest of consistency, the requirement that Loan Papers provide detailed implementation mechanics, which were subject to Washington review, was generalized to cover grants. The resulting Project Paper (ProP) of the late sixties was sufficiently cumbersome that the desire to also use it as a budget instrument was abandoned after only one year of application. Consequently, it became necessary to formulate a Preliminary ProP which was used for both budgetary and technical review purposes. Thus began a process of elaboration on documentation requirements which ultimately resulted during the mid-Seventies, in production of:

- Project Identification Documents (PIDs), which doubled as input to the Agency's in-house Annual Budget Submission (ABS)

- Preliminary Review Papers (PRPs) which, in addition to addressing questions raised in preliminary Washington reviews of project concepts (PIDs), were the required basis for the Agency's Congressional Presentation (CP) of its annual budget request

- Project Papers, which were the final, detailed statement of project intent and were the foundation for project agreements.

Finally, all of these instruments were to have been developed in conformity with each country's long-range plan--the Development Assistance Program (DAP).

The characteristics of the process developed in this evolutionary manner included procedures in which:

- Loans and grants shared the same highly detailed examination and justification requirements, even to the extent of having common agreement formats

- Grant project documentation absorbed a significantly increased portion of the review time

- Six formal documents were needed to support dual project and budget formulation streams

- The review and approval process had become highly centralized.

By this point, however, the system was viewed as having become too cumbersome. Therefore, a process of simplification was initiated in 1976 resulting in a number of changes including:

- A centralized method for managing and tracking the process of project development--the Project Budgeting and Review system (P-BAR)--was abandoned, because of the view that it contributed excessively to the workload relative to its return in expediting processing.

- The role of the central Program and Policy Coordination (PPC) Bureau in review and approval of projects was reduced by exempting those below $2.0 million in Life of Project (LOP) funding. Ultimately, the exemption threshold was increased to $10.0 million. PPC is now involved in reviewing smaller projects at the PID stage only.

- In April of 1977, the PRP was eliminated as a necessary intermediate step in the project development, review and approval process. This determination began a move to sever that cycle from the budgeting process by cancelling the need to have an approved project document as a foundation for the CP. The PRP, however, still survives informally in some bureaus.

- Mission directors were authorized to give final project approval on PPs of $500,000 or less

- Early in 1978, the PID was "de-cycled." That is, the requirement that an approved PID serve as the basis for an ABS budget entry was eliminated.

Simultaneous with these process and procedural changes, the long-range planning and the fundamental methods of allocating Agency resources are also being altered. Until recently, budgets were built up by missions' and bureaus' competing against one another for Agency funding of individual projects. Resources tended to follow skill in documentation (as opposed to substance), procedural expertise, and organizational influence. Fiscal Year 1981 budget formulation, however, will be guided by Indicative Planning Allocations, reflecting a formula distribution of resources according to "need" and "commitment." Need was scaled by relative population and per-capita income, while commitment was a one-to-four consensus rating of the subject LDC's extent and equitability investment in developmental programming. The Indicative Allocation will provide a mission-by-mission spending target level for each of the next 5 years. A major purpose of the associated, new long-range planning document--the Country Development Strategy Statement (CDSS)--will be to justify (or recommend altered) target levels and to phase required implementation strategies for the plan period. The rationale is that this approach will reduce the budget process by pre-justifying each year's country allocation. It is also intended to promote missions' building planned programming up to the levels anticipated to be available through the early 80's.

The net result of these many and frequent changes is that Agency personnel, especially those lower in the structure, are rather unclear about present documentation requirements. The CDSS approach, for example, was applied by one AID/W Regional Bureau for the FY 1980 cycle, but it is still essentially an unknown elsewhere in the organization.

2. ELEMENTS OF PRESENT PROJECT ASSISTANCE DOCUMENTATION

Present project assistance documentation officially consists of the following six elements:

- Country Development Strategy Statements (CDSS)--These are 5-year planning documents which present the general strategy for development in each country. The CDSS provides both a general analysis of the socio-economic circumstances and needs of the subject country, and an outline of the action strategies in each sector likely to alleviate those circumstances. In addition, the discussion of treatment approaches provides a phased plan of action for each sector consistent with targeted spending for each plan year.

- Sector Statements--A series of detailed analyses and forecasts of conditions in each sector of the host country's economy. These analyses, which are to be updated only as needed, are intended as the factual backdrop to the CDSS.

- Project Identification Documents (PIDs)--Brief papers outlining the basic conception for each project. PIDs serve three primary functions:

  - They are the means by which the basic acceptability of a project is tested throughout the AID clearance network, at mission, regional and central bureau levels.

  - They are the focal point for technical and other types of criticism constituting primary input to the final formulation process.

  - They are the basic vehicle by which mission (or bureau) "commit" to a project and indicated this commitment for budget "reservation" purposes.

- Project Papers (PPs)--The final, complete and very detailed statement of: the local conditions necessitating a proposed project; the actors and activities proposed; the methods and phasing of implementation; the anticipated costs; and the nature focus and extent of expected impact. PPs are the foundation upon which formal project agreements are negotiated.

- Annual Budget Submissions (ABS)--The process and resulting document by which AID internally estimates, reviews, deliberates, and finalizes its annual project-by-project funding needs. The ABS ultimately is the focal point for negotiations with OMB and other executive agencies concerned with budgets and foreign assistance and is the basis for AID's annual appropriation request to Congress.

- Congressional Presentation (CP)--The annual document in which AID describes to Congress: its general policies, objectives and emphasis in foreign assistance for the budget year; the specific new and continuing projects proposed, along

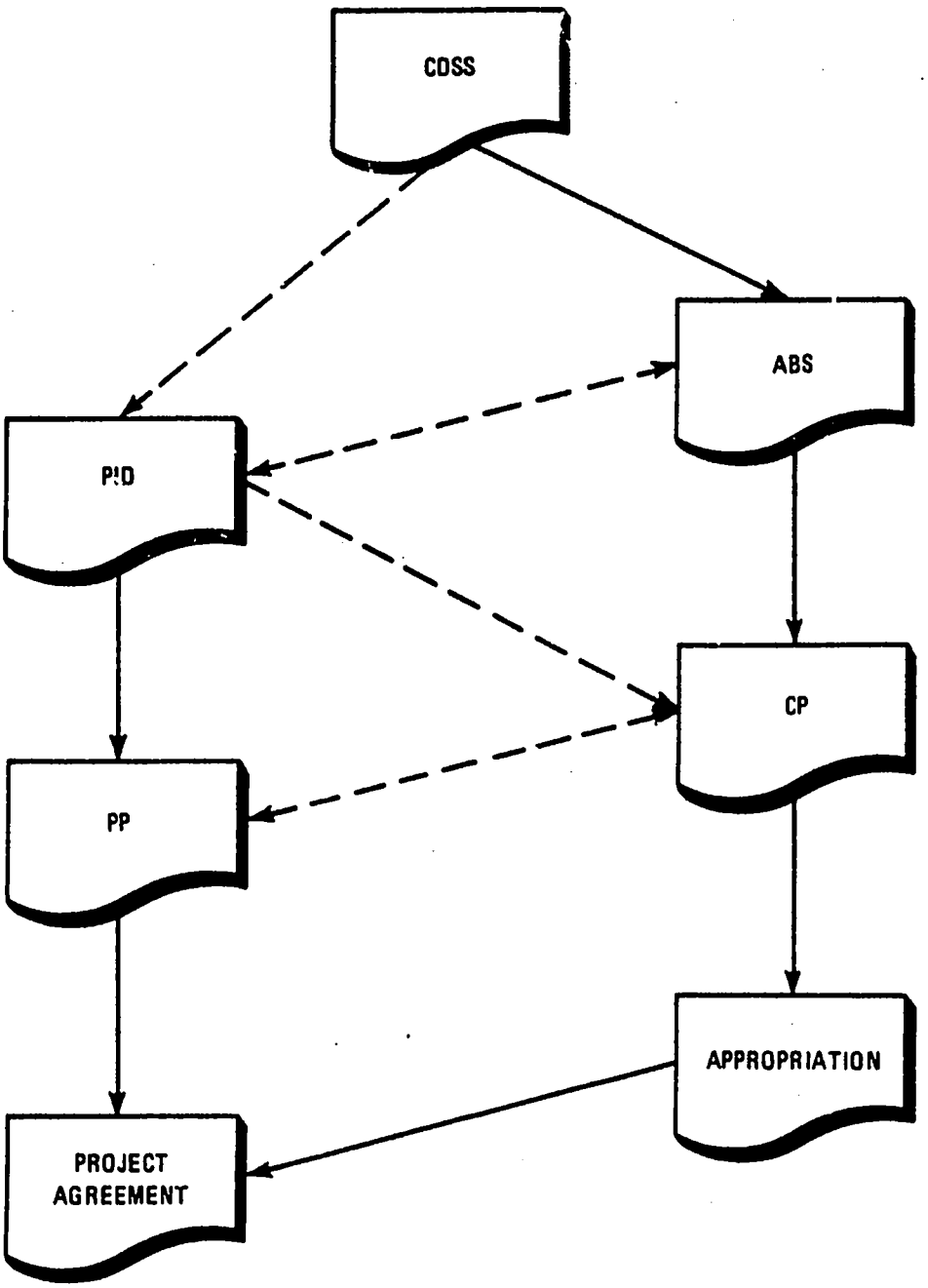
with their estimated costs; and the appropriations requested by major sector title. Although the level of detail required in the CP was somewhat reduced during the past year, it remains a very comprehensive and, consequently, massive document, necessitating a like commitment of resources to its production.

3. THE FLOW OF PROJECT ASSISTANCE DOCUMENTATION

Except for activities sponsored by Central or Regional Bureaus, all of the instruments discussed in the preceding section are primarily authored at the country mission or equivalent level. AID/Washington may contribute heavily through criticism, re-writes or temporary assigned personnel (TDYs), but the main impetus to assistance formulation lies in-country. Such Central Bureaus as Development Support (DS) and Private and Development Cooperation (PDC) do write their own projects for research, demonstration, multi-national or similar applications. But the process followed is parallel, especially where budget elements are concerned, and affected country missions frequently are involved.

In each case, a country's assistance approach is to be guided--and justified--by the CDSS. It is intended that the CDSS be the ultimate policy/condition/strategy framework against which both project conception and proposed expenditure be judged. Consequently, each year's assistance documentation cycle will start in the late Summer with AID/Washington's production and promulgation of the CDSS policy guidance. The Fall and Winter will find missions engaged in updating respective CDSS documents in anticipation of beginning construction of budgets during the late winter. AID/Washington reviews and communicates approval or denial of each CDSS. Its guidance cable will include recommended adjustments for the following year's update and final Indicative Planning figures for the budget year in question. This guidance authorizes the mission to begin the formal process of developing the ABS in accord with the strategies and target expenditures outlined in the CDSS. Consequently, the simplified flow diagram, presented in Exhibit II-1 following this page, shows the CDSS as more closely tied to the budget development process than to project formulation.

EXHIBIT II-1
AID
SIMPLIFIED FLOW CHART
PROJECT DOCUMENTATION CYCLE



The ABS pulls together and consolidates all activities and costs for CDSS-consistent projects (at various stages in the design pipeline) that are expected to be ready for funding during the budget year. The final ABS document is submitted for AID/Washington review by the end of June. Internal negotiations and OMB reviews establish the final budget mark for the consolidated and individual requests. Missions are then authorized to file one-page descriptions and cost estimates for each approved project by the end of September. These submissions are assembled into the Congressional Presentation which must be submitted by the end of January. An approximately 5-6 month period of hearing testimony and defense follows, during which the Congress subjects the CP to intensive examination. This interval often involves the development of special background papers and other supplemental materials to satisfy Congressional information needs and, consequently, may entail a considerable investment in time. The resulting appropriation from the CP process provides the necessary condition for approval of all projects in the CP.

Project development and documentation occurs relatively independently and in no necessary conjunction with the budgetary process. The initial concept (presumably having been given first expression in the broadest terms by the CDSS) is written up as a PID. After preliminary approval of the PID an exchange of papers, cables, telephone calls and even visits follow, during which the PID is re-drawn as a complete action formulation. The final result is the Project Paper (PP)--the definative statement of intended activity and expected costs.

It should be noted that neither stream (budget or project development) actually occurs in the pure form described. PIDs in the pipeline may influence the content of the CDSS. Reviews of the ABS may precipitate the writing of a PP without a prior PID. The various formal documents do, however, tie together in a loose pattern and serve as the primary budget, planning, and implementation documents of AID.

Both the budget and project development streams represent a very complex and varying set of activities to which the Agency devotes a very considerable portion of its time and effort. The objective of this study was to document the time and effort associated with these activities. The following chapters subject those processes to a detailed examination.

III. PROJECT APPROVAL TRACK

This chapter describes the project development and approval process and presents findings on the time and resource requirements involved. The following topics are discussed:

- Major phases in the project development and approval process
- Variations in execution of the project approval track
- Elapsed time for development and approval
- Project treatment relative to project size
- Level of effort and cost associated with project development and approval.

1. THE FORMULATION AND APPROVAL OF DEVELOPMENT ASSISTANCE PROJECTS

The evolution of a project idea into an obligated project follows a similar pattern of development, revision and approval in all AID Bureaus. The major tasks generally included in the design and approval of regionally- and centrally-funded DA projects are presented in Exhibit III, following this page. The exhibit also indicates the organization with primary responsibility for each task in the development and approval process.

The project approval track is a three-phased process.

- The first phase includes development, review and approval of a project idea in its earliest iteration in a Project Identification Document (PID).
- The second phase includes development, review and approval of the final proposed project design in the Project Paper (PP).

EXHIBIT III-1
USAID MAJOR TASKS IN
DEVELOPMENT AND
APPROVAL PROCESS

	TASKS	RESPONSIBLE ORGANIZATION
1.	Develop Draft PID	Field Mission or Proposing AID/W Office
2.	Pre-Submission Review	Field Mission or Proposing AID/W Office
3.	Develop Issues Papers	Funding Bureau
4.	Hold Review Meeting(s)	Funding Bureau with appropriate participation from PPC, DSB, GC, SER, and Regional Bureaus
5.	Prepare and Transmit Meeting Results	Funding Bureau
6.	Prepare for PP Development	Field Mission or Proposing AID/W Office
7.	Develop Draft PP	Field Mission or Proposing AID/W Office
8.	Pre-Submission Review	Field Mission or Proposing AID/W Office
9.	Develop Issues Papers	Funding Bureau
10.	Hold Review Meeting(s)	Funding Bureau with appropriate participation from PPC, DSB, GC, SER and Regional Bureaus
11.	Prepare and Transmit Meeting Results	Funding Bureau
12.	Revise PP	Field Mission or appropriate Central/Regional Bureau Office
13.	Review Revised PP	Funding Bureau
14.	Develop Bureau Clearances	Funding Bureau and all Review Meeting participants
15.	Develop Agency Clearances	PPC, GC, and AID/Administrator with appropriate other clearances
16.	Prepare Project Authorization	GC for Funding Bureau
17.	Conduct Project Agreement Negotiations	Field Mission

- The third phase prepares the approved PP for full implementation and includes the development of the Project Authorization and the Project Agreement.

Each of these three phases in the project approval cycle is briefly described in the following paragraphs.

(1) The PID Phase

USAID field missions are primarily responsible for preparing the PID which presents a project idea generated through discussion with the host country. This document briefly presents the project concept, assesses its impact, proposes an implementation plan and anticipates design and implementation issues. The field mission internally reviews the PID, seeking host country input and possibly making several revisions before submitting the PID to AID/W. Centrally-funded projects also begin with a PID which is developed by the proposing office, e.g., the Office of Housing in the Bureau for Development Support. These PID's are submitted for review and approval to the appropriate office in the central Bureau.

When a PID is received in AID/W, it is distributed to the variety of AID/W regional and central Bureau offices that will be involved in the formal review. All AID/W offices with interest or potential involvement in the proposed project are invited to participate in the review. These could include:

- The country desk
- The responsible Bureau program and project offices (e.g., Offices of Development Resources and Development Planning)
- Offices from the Bureau for Development Support (DSB)
- Offices from the Bureau for Program and Policy Coordination (PPC)
- Offices from the Bureau for Program and Management Services (SER)

- Members of the Office of the General Counsel (GC).

The mechanism for PID review is a review committee meeting which includes representations from the appropriate groups. The PID is first reviewed by members of the project review committee. Issues papers, which highlight technical and policy issues, are developed by sponsoring bureau staff and circulated to project review committee members prior to the meeting date.

The agenda of the review committee meeting is structured around the issues raised both by the field mission (in the PID itself) and by committee members in their pre-meeting review of the PID. The review committee members are also responsible for determining whether the proposed project is consistent with Bureau priorities and standards, Agency policy guidelines and legislative requirements.

If the review committee approves the PID, an approval message is prepared. This message informs the field mission, or the proposing central office for centrally-funded projects, of issues that must be addressed in the PP and provides other direction and recommendations that emerged from the AID/W review session. Each review committee participant signs off on the content of the approval message, which must also be cleared by PPC prior to its transmission to the field mission.

(2) <u>The PP Phase</u>

The PP is the detailed design and implementation plan for the proposed project. The PP is basically prepared by field mission staff utilizing internally available resources. In the period between approval of a PID and development of a PP, however, several other activities may be undertaken:

- A project design team may need to be assembled if the field mission or proposing office requires additional expertise for developing the PP. The design team formation process can include:

- A search for and contracting with specialized consultant expertise

- The identification and dispatch of AID/W-based technical staff required to support PP development

- Interim studies may need to be conducted as the base for designing the PP or resolving major issues which surfaced in the PID review.

These additional steps, if necessary, may delay completion of the PP while the design team is assembled and further studies are conducted. As with the PID, the PP is reviewed internally by the design team prior to submission to AID/W and may go through several extensive draft revisions before it is finalized.

AID/W review procedures for the PP parallel those for the PID described previously. The review process, however, may be expanded to include different or additional review committee members to address issues that have arisen in the more detailed project design presented in the PP. The review committee may approve the PP or may request that some revision or modifications be made as a condition of approval. When the revised PP meets review committee approval, it is forwarded to the Bureau Assistant Administrator (AA) for Bureau-level review and approval. It is possible that further modification or revision of the PP may be required at this review level before the Bureau AA approves the project.

The Bureau-approved project is then submitted to other AID/W offices and involved agencies for clearance prior to preparation of the Project Authorization. Bureau-approved projects with a life of project (LOP) dollar value over $10 million must be approved by the Administrator, AID, with additional review and clearance by PPC and GC. While Bureau-approved projects are in the process of receiving Agency clearances, the sponsoring Bureau may be preparing Congressional notifications, finalizing environmental determinations or concluding other project clearance requirements.

(3) The Project Authorization and Project Agreement Phase

The final step in the Project Approval Track is the signing of the Project Authorization. AID/W completes its active role in project development when the Bureau AA signs the Project Authorization for an approved project. The field mission assumes primary responsibility for preparing and negotiating the Project Agreement with the host country. AID/W or a regional legal advisor may assist the field mission in the preparation and negotiation of the Project Agreement. The Project Agreement is drafted to meet Agency requirements and special conditions, and it must also meet host country requirements. The negotiation process can become a complex proceeding, for example in some Latin American countries where the local legislature must approve international loan agreements prior to signature.

2. VARIATIONS AMONG BUREAUS AFFECTING THE ELAPSED TIME AND LEVEL OF PROJECT DEVELOPMENT AND APPROVAL EFFORT

The description of the Project Approval Track previously presented summarizes the general tasks involved. While all regional and central Bureaus adhere to these major tasks there are variations in procedures and management style that can and do affect the time and resources Bureaus devote to the process. Variations among the Bureaus include the following:

- While the field mission has primary responsibility for design and development of the PID and PP, it is not unusual for AID/W Bureaus to contribute staff to support PID and PP development. The availability and location of this support varies among Bureaus. AID/W support can include sending Washington-based staff to the field mission and making arrangement for personnel loaned from other agencies (PASA) and contractor staff to assist the project design team.

- Interim study documents may be required to support development of the PID and the PP. These interim documents include feasibility studies, PID issue resolution studies, or basic socio-economic data base development which may be needed as a foundation for the development of the PP.

- Projects may be evaluated in a two-tiered Bureau review system at the PID and PP phase.

  - The Near East Bureau and the Asia Bureau have a project committee level review that prescreens projects and prepares recommendations for consideration by a higher level advisory committee review chaired by the AA.

  - The Africa Bureau review system includes an Executive Committee for Project Review, chaired by the AA, which reviews projects that have major design or policy issues.

- The number and type of AID/W offices participating in the review and approval of PIDs and PPs varies not only among Bureaus but varies for similar projects within the same bureau. While Regional Bureau (technical and program), PPC, SER, DSB and GC staff are the major participants in the AID/W project review and approval process, each project is evaluated by a fairly unique set of individuals representing the cluster of regional and central bureau offices with interest or potential involvement in the proposed project.

- While some Bureaus do utilize the "project manager" concept during the AID/W review, there appears to be no clear statement of project manager responsibilities. Several persons within a Bureau may assume responsibility for a project's progress at the various phases of project development and approval. In the Africa Bureau, for example, the geographic desk manages project review during the PID phase, and the Office of Development Resources assumes responsibility for project review management during the PP phase.

The effect of these differences among Bureaus is to introduce variation in both the elasped time required to approve a project, and the total staff effort expended.

It should also be noted that projects essentially go through a second Project Approval Track during the review of the ABS. The ABS review has another set of project review and approval requirements. It is thus possible for a project to successfully meet the technical review requirements of the AID/W PID and PP review system but to run into difficulties during ABS review which necessitated adjustments in project design.

3. ELAPSED TIME FOR THE PROJECT DEVELOPMENT AND APPROVAL PROCESS

A major concern of the study was the elapsed time requirements for completion of the project development and approval process. The primary means of determining this was a comprehensive project file review encompassing 80 files--20 for each of the four geographic Bureaus. Files were selected on a random basis in each Bureau. Of these 80 files, a total of 43 were found to have had a definable start point and formed the core of data for the analysis. These data were supplemented by interview data (70 were conducted) which provided estimates to the PID/PP development and approval process.

Elapsed time data were compiled and analyzed for the entire project development and approval process as well as for five key phases of the overall process. The five key phases are:

- Phase I - Pre-PP development and approval
- Phase II - PP preparation
- Phase III - PP review and approval
- Phase IV - Approval-to-Project Authorization
- Phase V - Project Authorization-to-Project Agreement.

Major findings of the elapsed time file review included:

- DA project development time averages 19.7 months for the Agency.
- Processing time varies both within and among the Bureaus.
- Clearance requirements are extensive but variable.

A discussion of each of these findings follows.

(1) Project Development Elapsed Time Averaged 19.7 Months

The data from the file review indicated that the mean elapsed time for project development and approval was 19.7 months and the median time was 19.2 months. The file review and interviews seemed to indicate that these project processing times are influenced by at least three project and process characteristics.

- The relative complexity of the project
- The need to form project design teams and contracts for a variety of specialized expertise
- The extent and rigor of clearance procedures applied.

As will be noted later, project dollar size did not seem to be a factor in elapsed time.

The Table on the next page indicates the relative amount of time required for each of the five phases of the Project Development Cycle. As shown the greatest amount of time is required for Phase II--PP preparation (7.3 months) and Phase I--pre-PP development and approval (including the PID). These two phases alone account for 12.8 or 65 percent of the average elapsed time. The remaining three phases which include the PP review, approval, authorization and agreement require 6.9 months or 35 percent of the process time.

TABLE III-1
ELAPSED TIME BY PHASES OF THE PROJECT
DEVELOPMENT CYCLE IN MONTHS

	I	II	III	IV	V	TOTAL
AVERAGE ELAPSED TIME	5.5	7.3	1.7	2.3	2.9	19.7

Thus the majority of time appears to be spent on the substantive aspects of project design rather than on the final clearance and authorization process.

(2) Processing Times Vary Within and Among Bureaus

Bureau total average elapsed time data are shown in the Table below. The mean and median values are generally consistent, indicating that the data are spread fairly equally around this mean.

TABLE III-2
AVERAGE ELAPSED TIME BY BUREAU, IN MONTHS

	AFRICA	ASIA	LAC	NEAR EAST	TOTAL
AVERAGE	23	19.2	14.9	22.4	19.7
MEDIAN	24.4	19.4	14.3	22.4	19.2

The Table indicates that there were significant deviations among the Bureaus in the average elapsed time required to complete the project cycle. The Latin American and Caribbean (LAC) Bureau has by far the shortest elapsed time of 14.9 months while the Asia Bureau has the second shortest time of 19.2 months. These Bureaus operate on a more decentralized basis than the other two Bureaus. The Africa Bureau, which was perhaps the most centralized of the Bureaus, requires the longest elapsed time of 23 months. The Near East Bureau, which also tends to have a centralized review process, requires 22.4 months. These data, while

not conclusive because of the small size of the sample, tend to support the conclusion that decentralization of the project development and approval process reduces processing time. However, this apparent conclusion must be tempered by the fact that, to some extent, the operating modes (including decentralization) of the Bureau's reflect the variations in characteristics and constraints of the countries in which the Bureau's operate.

(3) Clearance Requirements Are Extensive But Variable

The examination of project files indicated that clearances are applied quite extensively at AID. Formal procedures are promulgated in Chapter 7 of Handbook 3 which outlines approval requirements of the PID/PP development and authorization process. Clearance requirements, such as the review by PPC of projects over $10 million, are also specified in this document.

The requirements for clearances on some documents are quite specific. Specific clearances are required for the PID segment; Project Implementation Orders and Project Papers. Beyond these, the clearance procedures are less specific and vague. With respect to project authorization, Handbook 3 indicates only that:

> "If authorization of the project is agreed upon internally, the next step will either..."

No indication is given as to the level or extent of the agreement that must be reached. This is also the case with a number of other formal and semi-formal project documentation, such as issue papers, Congressional notification and memoranda.

This vagueness in formal clearance requirements has allowed the Bureaus to introduce a high degree of variability into the clearance process. This variability appears to be both among projects within a specific Bureau as well as among Bureaus. Depending upon the Bureau and/or type of project several or many of the following organizations may become part of the clearance process.

- Development Planning (DP)
- General Counsel (GC)
- Technical Resources (or Equivalent) (TR)
- Development Resources (DR)
- Development Services Bureau (DSB)
- Policy Program and Coordination (PPC).

Also quite often several approvals are requested from the same office. Beyond these, a variety of other organizations appear on project documentation. A list of clearance authorities found during our examination included:

LIST OF ORGANIZATIONS APPEARING ON PROJECT FILE DOCUMENTATION

DP	ISPA
DP/EA	DSB/POP
TR	DSB/PROP
EAA	
EAA/I	AA
GC	DA/AID
PPC	SER/COM
PPC/DPRE	
DR	PT
DAA	EA
DFWA	IIA
	Host Country
	Originating Office

Clearances do extend the time required to complete the project cycle. Generally the incremental extension is small and dependent upon the:

- Number of individuals that must clear a document
- Acceptable mode by which a clearance may be accomplished (phone, draft review of final copy review).

The project development cycle also includes several specific clearances dealing with the environment, women in development, human rights and foreign assistance considerations. Our file review showed that these clearances normally were granted expeditiously. In

45

some cases, however, the Initial Environmental Evaluation (IEE) became an issue. Where the IEE was an issue, substantial time appeared to be spent in resolution.

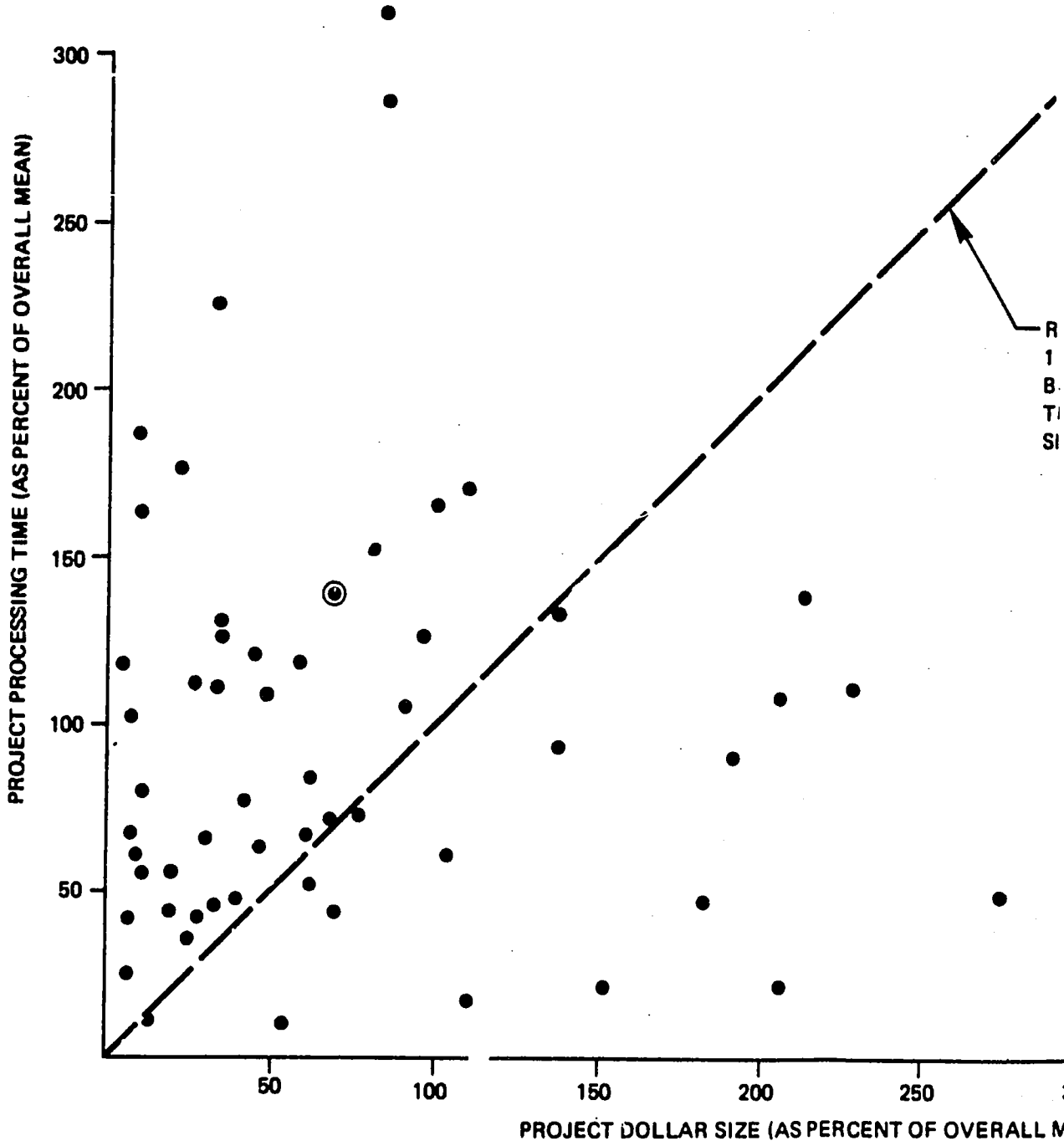
4. PROJECT TREATMENT RELATIVE TO PROJECT SIZE

One objective of the study was to determine whether the size of the project affected how it was processed and, if so, what the elapsed time implications were. These issues were examined, both through file search data, and on the basis of interview results.

(1) Project File Survey Results Show No Apparent Relationships

Our examination of the project size/treatment issue focused initially on the relationship between project LOP dollar size and total processing time as revealed in the file search. The first analysis performed broke projects into "large" and "small" according to a $5.0 million threshold. The result of that analysis indicated there was only a 10 percent difference between median processing times of large and small projects (365 days versus 329 days, respectively). Since this small a differential could well have been attributable to sampling error, we determined to approach the issue from a second direction. The Scatter Diagram portrayed in Exhibit III-2, following this page, arrays elapsed time (expressed as a percent of the overall mean time) against dollar value (shown as a percent of the overall mean value). The marked dispersion of the 62 usable file search observations displayed in this exhibit clearly demonstrates that there is no apparent relationship between project dollar size and processing time. Similarly our examination of the project files for characteristics events, processing points, documents and similar manifestations of "treatment" showed that:

- Major treatment manifestations (e.g., formal documentation required) were essentially the same for all projects
- Minor treatment manifestations (e.g., "optional" clearances required) varied greatly, but in no apparent pattern.


300
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PROJECT PROCESSING TIME (AS PERCENT OF OVERALL MEAN)
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100
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200
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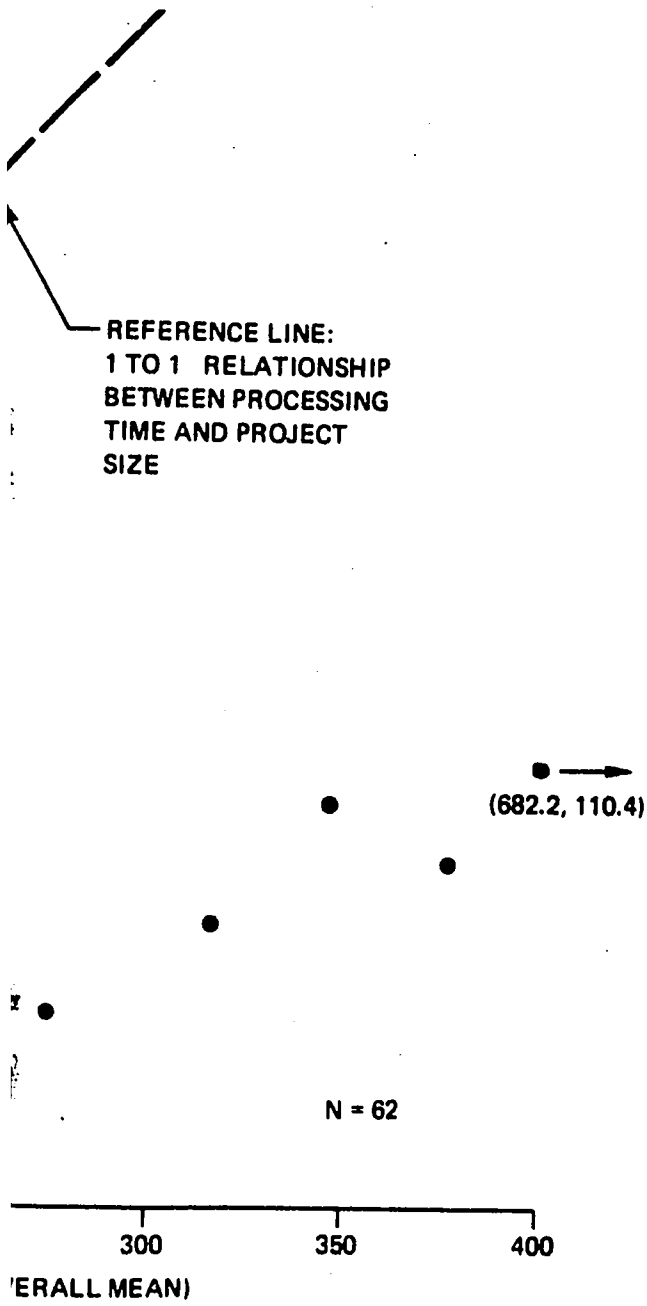
PROJECT DOLLAR SIZE (AS PERCENT OF OVERALL M

EXHIBIT III-2
USAID
RELATIONSHIP BETWEEN PROCESSING
TIME AND PROJECT SIZE



(2) Interview Results Suggested That Complexity May Affect Processing Time

We also sought to address both the treatment question and the elapsed time issue through interview results. Although several respondents held the opinion that large projects required more process time than small ones, many more respondents thought the process time was about the same, and a few respondents believed that the smaller projects involved more clearances and experienced more delay prior to authorization.

The respondents were clear in their conclusion that process time varied directly with the complexity of the project--that a project with many components, or certain types of components, would take longer to develop and review. Among factors contributing to this variation are the number of donors; the number of components; regional project complications; delay incident to the use of large TDY/consultant design teams; and multiple clearances incident to multiple components.

The respondents were about evenly split on the question of whether the process time was longer for loan projects vis-a-vis grant projects. Loans, particularly large loans, were thought to involve more process time related to a greater host country involvement and more statutory requirements; however, the project file survey data does not support this conclusion.

5. ASSESSMENT OF THE FREQUENCY OF SUBSTANTIAL CHANGE TO DA PROJECTS ASSOCIATED WITH THE PROJECT DEVELOPMENT AND APPROVAL PROCESS

As described in Chapter I, an assessment was made of the frequency of substantial changes introduced into projects during the review and approval process. This assessment was based upon a review of 80 sampled DA project files and a series of interviews with selected AID personnel. The results of this assessment are described in the following subsections.

(1) Change Resulting from AID/W Review and Approval Process

Just over 16 percent of the sampled files showed evidence of substantial change as a result of the AID/W review and approval process. Exhibit III-3, following this page, presents summary information relative to the observed frequency of substantial change. The information depicted on this exhibit correlates the frequency of each type of substantial change with the phase of the approval process in which it occurred. Indication as to whether the change resulted from the AID/W review or other factors is also provided.

Review of this exhibit yields certain relevant observations in general and with respect to each major segment of the project development process.

- Overall, substantial change from all sources was just over 21 percent (17 of the 80 project files reviewed).
  - Percentage breakdown by phase was 12.5 percent during Project Paper Review and Approval; 5 percent during Development of Project Authorization; and 3.75 percent during Finalization of Project Agreement.
  - No evidence of substantial change was found in two of these measures utilized in the analysis (geographical area change and technical assistance to commodity procurement).
- Proportion of substantial change attributable to the AID/W review was 16 percent (13 of the 80 project files reviewed).
- Largest percentage of change was attributable to Life of Project funding changes initiated by AID/W (6 percent--5 of 13 projects substantially changed by AID/W).

According to Exhibit III-4, following Exhibit III-3, interview respondents reported a 23 percent overall frequency of change according to criteria paralleling

EXHIBIT III-3
FREQUENCY OF SUBSTANTIAL CHANGE

TYPE OF SUBSTANTIAL CHANGE	REVIEW & APPROVAL OF PROJECT PAPER		DEVELOPMENT OF PROJECT AUTHORIZATION		FINALIZATION OF PROJECT AGREEMENT	
	AID/W NO.	OTHER NO.	AID/W NO.	OTHER NO.	AID/W NO.	OTHER NO.
DEVELOPMENT AREA	--	--	--	1	--	--
LOP FUNDING	5	--	--	1	--	--
ONE HOST AGENCY TO ANOTHER	--	1	--	--	--	1
PROJECT COMPONENT/ DONOR INVOLVEMENT	2	--	1	--	1	--
PROJECT DEVELOPMENT DEFERMENT	2	--	1	--	1	--
TOTALS	9	1	2	2	2	1

EXHIBIT III-4

SUMMARY OF INTERVIEWS RESULTING IN FREQUENCY OF CHANGE

FILE SEARCH CHANGE CRITERIA	AFRICA BUREAU	ASIA BUREAU	NEAR EAST BUREAU	LATIN AMERICAN AND CARIBBEAN BUREAU	ALL BUREAUS
ONE DEVELOPMENT AREA TO ANOTHER	1	7	0	9	3
ONE LOP AMOUNT TO ANOTHER	43	58	35	37	45
ONE HOST COUNTRY AGENCY TO ANOTHER	3	3	5	5	4
PROJECT COMPONENTS/DONOR INVOLVEMENT	53	32	60	49	48
TOTAL PERCENTAGE	100	100	100	100	100
OVERALL INCIDENCE OF CHANGE	28	18	22	24	23
OTHER CHANGE CRITERIA					
ONE GEOGRAPHIC AREA TO ANOTHER	26	5	17	22	18
TECHNICAL ASSISTANCE TO COMMODITY PROCUREMENT	5	27	14	14	14
GRANT TO LOAN	16	41	38	57	32
LOP FUNDING TO INCREMENTAL	53	27	31	7	36
TOTAL PERCENTAGE	100	100	100	100	100
OVERALL INCIDENCE OF CHANGE	7	12	16	4	11
COMPOSITE CHANGE CRITERIA					
ONE DEVELOPMENT AREA TO ANOTHER	1	4	0	8	3
ONE LOP AMOUNT TO ANOTHER	35	34	20	32	32
ONE HOST COUNTRY AGENCY TO ANOTHER	2	2	3	4	2
PROJECT COMPONENTS/DONOR INVOLVEMENT	43	19	35	42	35
ONE GEOGRAPHIC AREA TO ANOTHER	5	2	7	3	4
TECHNICAL ASSISTANCE TO COMMODITY PROCUREMENT	1	11	6	2	5
GRANT TO LOAN	3	17	16	8	10
LOP FUNDING TO INCREMENTAL	10	11	13	1	10
TOTAL PERCENTAGE	100	100	100	100	100
OVERALL INCIDENCE OF CHANGE	35	30	38	28	34
NUMBER OF OBSERVATIONS*	10	6(7)	4(8)	3	23(28)

*NUMBER IN PARENTHESIS REPRESENTS TOTAL NUMBER OF RESPONDENTS, NON-PARENTHESIS NUMBER EQUALS THE TOTAL NUMBER OF RESPONDENTS CATEGORIZING CHANGES BY THE GIVEN CRITERIA.

those applied in the file search.[4] This is a very close estimate to that generated from the files, given that one would expect subjective perception to attach high significance to Washington reviews. Respondents, however, challenged whether the pre-determined criteria for change actually constituted "major" revisions. The interview team, consequently, allowed interviewees to add categories, subject to the following rules:

- New categories could not overlap those already provided
- The criteria used had to truly represent major changes
- Change criteria had to focus on project substance and not on documentation and language.

Opening up the issue in this fashion only added 11 percent to the overall incidence of change. More importantly, this exchange with respondents revealed that they only considered one of the resulting categories (old and new combined) to be representative of truely significant or substantive change. That category was "project components/donor involvement" which was defined during interviews to include basic decision changes. The implication is that interviewees specified only a 12 percent overall incidence of change according to their own major change criterion. This result can be derived by multiplying the 34 "Overall Incidence of Change" response in the "Composite Change Criteria" portion of exhibit by the 35 percent response in the corresponding Project Component response.

(2) The Frequency of Substantial Change Within the Geographic Bureaus

Table III-3 presents summary information on the file view frequency of substantial change experienced as a result of the project file review arranged by Geographic

[4] This figure, however, reflects a definition of change in LOP amount differing from that used in the file search. The file search criterion specified a doubling in LOP amount while the interview only required a "Major Change". This would result in interviews yielding a somewhat higher incidence of change for comparable categories.

Bureau. A review of this information will indicate that the incidence of substantial change was similar on the projects examined for the Near East, African and Latin American Bureaus. No hypothesis has been developed to explain the absence of substantial changes on the projects reviewed for the Asia Bureau.

TABLE III-3
NUMBER OF AID/W INDUCED SUBSTANTIAL CHANGES
EXPERIENCED BY GEOGRAPHICAL BUREAU

BUREAU	NUMBER	PERCENT OF SAMPLE
Africa	5	25
Asia	0	0
Latin America/Caribbean	4	20
Near East	4	20
TOTAL	13	16

6. LEVEL OF DIRECT EFFORT AND COSTS ASSOCIATED WITH PROJECT DEVELOPMENT

The various tasks associated with project development are estimated to annually consume approximately 13 percent of the total working time of the 6200 USAID employees and contractors who have direct involvement in the project development cycle. The effort reflects both geographic and central Bureau's project activity. This percentage represents nearly 780 person-years of effort at an annual cost of $37.3 million. Exhibit III-5, on the following page, presents these figures and the corresponding percentages, person-years, and cost estimates for each AID Bureau having direct involvement in the cycle.

The person-year figures are aggregates of data obtained through interviews and time distribution estimates conducted at the office level, supplemented by an analysis of contractor usage. The percentage calculations were made on the basis of the total staff in the relevant offices/Bureaus. The elements of cost represented in the right-hand column include salaries, benefits, and all other office/Bureau

EXHIBIT III-5
LEVEL OF DIRECT EFFORT ASSOCIATED WITH THE PROJECT DEVELOPMENT CYCLE

ORGANIZATIONAL UNIT	LEVEL OF EFFORT		
	Person-Years	Percent of Bureau Effort	Cost in Dollars (000's)
FIELD MISSIONS BY REGION			
Africa	160.1	13	9306
Asia	96.2	8	3020
L.A.C.	140.6	13	6035
N.E.	73.7	10	3146
TOTAL	470.6	11	20507
AID/W GEOGRAPHIC BUREAUS			
Africa	45.5	23	2447
Asia	17.0	14	880
L.A.C.	28.1	18	1449
N.E.	31.0	22	1656
TOTAL	121.6	20	6432
GEOGRAPHIC BUREAU TOTAL (AID/W and Field Missions)			
Africa	205.6	14	10753
Asia	113.2	9	3900
L.A.C.	168.7	13	7484
N.E.	104.7	12	4802
TOTAL	592.2	12	26939
CENTRAL BUREAUS AND OFFICES			
PPC	14.2	9	735
GC	11.4	20	537
SER	15.2	6	816
LEG	0	0	-
IIA	0	0	-
FM	0	0	-
DS	137.1	22	7886
PDC	9.5	7	393
TOTAL	187.4	14	10367
U.S. AID			
Geographic Bureau Total	592.2	12	26939
Central Bureau Total	187.4	14	10367
TOTAL	779.6	13	37306

55

operating expenses. Not represented in the exhibit are the staff time percentage and person-year levels for those bureaus, or offices within bureaus, whose function is to provide agency-wide support, and, as such, cannot be directly assigned to the project development function, (for example, certain offices of SER, the Office of the Auditor General, and the Office of Public Affairs are not included.) The costs of these agency-wide support offices, however, are reflected in the exhibit, having been added to direct project development costs on a proportional basis. For a complete description of the time and cost estimating methodology and back-up tables refer to Appendix C.

The person-year and cost information is meaningful only in an absolute sense because of the differences in staff size among the Bureaus. The "Percent of Bureau Effort" information, however, provides a basis for inter-bureau comparison (middle column).

As Exhibit III-5 indicates there are major variations in the proportion of effort spent on project development activities among the overseas missions and offices, the AID/W Geographic Bureau's and the Central Bureaus as follows:

- Overseas Missions and Offices--From a high of 13 percent in the Africa and LAC bureaus to a low of 8 percent in the Asia Bureau

- AID/W Geographic Bureaus--From a high of 23 percent in the Africa Bureau to a low of 14 percent in the Asia Bureau

- Central Bureaus--From a high of 22 percent the Development Support Bureau to a low of 5 percent in the Program and Management Services (SER) bureau. (Comparisons among central Bureaus, however, are not particularly meaningful given the bureaus' different functions with respect to both central and mission projects.)

The differences in the percent of total effort among the Overseas missions and offices and AID/W Geographic Bureaus are less when the Overseas missions and offices and AID/W effort are taken together. The Africa, LAC, and Near East Bureaus spend 14 percent, 13 percent, and 12 percent, respectively, on project development. The total Asia Bureau is at the low end of the range, with 9 percent of its total staff effort devoted to this function.

Assuming that rate at which new Geographic Bureau projects are funded in FY 1979 (223) is representative for FY 1978 and that the level of Geographic Bureau effort reportedly devoted annually to project development is constant, there are approximately 2.7 person-years of effort and $121,000 spent per project on project development. These amounts appear to be fairly uniform across Bureaus.

IV. THE ANNUAL BUDGET SUBMISSION PROCESS

AID, like all federal agencies, is required to make yearly budget submissions/appropriation requests to Congress. The first step in this process is the development of the initial budget document and submission to OMB for funding level justifications. The Annual Budget Submission is the planning process and resulting document used by AID to determine its annual funding needs. The Annual Budget Submission cycle is comprised of both the AID internal budget development system and the basic input into AID's annual Congressional Presentation for appropriations. The entire Annual Budget Submission cycle incorporates the interaction of two simultaneous budget cycles; one involving the development of the budget for the upcoming budget year, and the other monitoring the operational year budget and implementation plan. Because the cycle is oriented toward both the current and upcoming budget years, the entire cycle covers a 2-year planning period. The timeframe for preparation of the annual budget is approximately 1 year, from the preparation of initial guidance through OMB budget determinations. The annual budget development cycle can be broken into five distinct phases, each of which is regulated by a specific timetable. This section describes the major tasks, the primary actors and significant timing and dates associated with the following five phases:

- Development and transmission of ABS guidance
- Preparation and initial development of the draft ABS
- Review and consolidation of the ABS by AID/W bureaus
- Final review of the ABS by the Bureau of Program and Policy Coordination (PPC) and the Office of Financial Management (OFM)
- OMB submission of the ABS and the implementation of the operational year budget.

Since AID's Annual Budget Submission process has undergone significant changes in recent years, this analysis focuses on the preparation of the 1980 budget submission. In addition, because of the transition that has occurred in AID, not all functions have been updated and/or incorporated in every Bureau within AID. This discussion, therefore, focuses on the preparation of the Annual Budget Submission on a general basis and only significant deviations from this cycle are recorded. Changes in the 1981 ABS are presented at the end of this chapter.

1. DEVELOPMENT AND TRANSMISSION OF ABS GUIDANCE

The first major phase of the ABS cycle is the preparation and dissemination of AID's budget guidance. Budget guidance is generally proforma and emphasizes the need for accurate resource requests and a tentative fiscal timetable to support them. Typically the budget guidance document is composed of a number of major sections. These sections may include:

- A guidance introduction section that briefly explains the coverage of the guidance and highlights major changes that have occurred in the budget process since the previous budget preparation period

- A budget planning statement composed of AID's current program strategy and outline of its current direction; an assessment and justification of AID's long-range planning; and specific project criteria or marks that outline areas where AID would like to concentrate its focus (for example, in projects dealing with the rural poor or, in some cases, geographic areas such as the Sahel)

- An explanation of the current budget system for estimating the upcoming budget year and the budget schedule or timetable for preparing the ABS

- Instructions on the preparation and transmittal of the budget submission.

The preparation of AID's budget guidance encompasses a number of steps, including the preparation and dissemination of the Indicative Planning Allocation, the Administrator's annual policy statement to the President, and the actual transmittal of ABS guidance to the field and Washington

bureaus. This last event, the transmittal of guidance, has traditionally occurred around February 1, thus kicking off the new budget year cycle. For the 1980 ABS, however, this guidance was not transmitted until early March due to the additional time required to adjust for changes in the 1980 ABS. The preparation and planning of this transmission and the receipt and determination of OMB budget guidance frequently begins in the fall of the previous year. In addition, other key decisions or policies regarding guidance may be issued after the traditional February 1 date. These frequently include specific Bureau guidance to the field and additional OMB interpretations.

2. DEVELOPMENT OF THE DRAFT ABS

The initial draft of the ABS developed by the field missions and AID/W offices is prepared between February and June. The missions' ABS includes the missions' best ideas for new budget year activities and appropriate funding estimates. Prior to the development of the 1980 ABS, the field missions would present this information in Project Identification Documents; PIDs, however, are no longer included in the ABS. The missions are also required to certify that their development assistance programs are valid and that they provide a meaningful basis for current and future program planning. Both the missions and operating offices must include fiscal and manpower data for assessment by AID/W. While the process is concentrated on the development of the draft ABS, the number of reviews and reiterations of the document, including write-ups of each new activity or project, constitute a major portion of time spent on this activity. For the 1980 ABS the mission documents were to be resubmitted to AID/W around May 25. The date was moved forward from June to allow time for State Department input into AID's budget formulation process.

3. BUREAU REVIEW AND CONSOLIDATION OF THE ABS

The Washington Bureaus have approximately 45 days to review and consolidate the data submitted by the field and by AID/W centrally-funded and international organization programs. The Bureaus review the data to ensure that:

- All data presented is in acceptable format.
- The narrative and statistics on projects are sufficient and complete.
- The data presented conforms with AID's current directives and guidelines.
- The financial requests are within the Bureaus own budgetary guidelines and estimated allocations.

Once the data have been approved the Bureaus have the responsibility of consolidating the field ABS submissions and their draft submissions into a bureau ABS to be presented to PPC. The formal submission to PPC includes a certification by the Bureaus that the planning documents continue to be valid, especially in regard to their development assistance programs, a list of ongoing and proposed projects selected by the Bureaus, and a financial request for resources to:

- Implement the proposed programs and projects for the upcoming budget year
- Implement the operational year budget.

In addition, last year the Bureaus were required to give long-range projections for FY 1981 through FY 1984. This was the first time long-range projections were requested by OMB.

The entire 1980 ABS package was due for submission to PPC by mid-July, approximately 2 weeks earlier than previous years.

4. FINAL REVIEW OF THE ABS

The prime focus of ABS review by PPC along with OFM is to reconcile the requests for resources by the bureaus with the dollar ceilings imposed by the OMB planning guidance. Traditionally, the OMB financial ceiling or planning mark was delivered to all Federal agencies in late spring or early summer. This mark was the OMB's first attempt at

allocating total Federal budget levels for the upcoming budget year. Last year AID began the implementation of a zero-based budgeting system for review of the proposed Bureau budgets. These budget reviews are conducted by PPC and OFM, and broad program issues are considered by the Office of the Administrator. The Administrator considers various options of program emphasis based on AID's current directives. The Administrator also reviews the priorities among the bureaus, especially the geographic bureaus, and the results of the budget and program review. In past years, the Office of the Secretary of State has also been involved in reviewing AID's budget request. Last year, this entire PPC budget review process began late in July and was completed by August 18. Again, a large proportion of time was spent in reviewing the ABS and adjusting the proposed funding levels. By September 15, AID transmitted its budget request to OMB. The time between August 18 and September 15 was spent in emergency alterations of the ABS and printing the ABS document for OMB.

5. OMB SUBMISSION OF THE ABS

The formal transmittal of AID's ABS to OMB was completed by September 15. The ABS not only included a funding plan for all of the project and program areas discussed in the submission but contained alternative funding levels at higher and lower budgetary levels. OMB then has approximately two and a half months to review, analyze and return its final acceptable funding level for AID's budgetary submission to Congress. OMB conducts hearings on the budget in October and provides budget levels about the first of December. During this period, other significant events occur. October 1 signals the beginning of the new fiscal year and the obligation of appropriated funds begins. By the end of October, AID issues its operational year budget and implementation plan. This document allocates the actual funds appropriated by Congress. Thus while AID's current year has begun its proposed budget for the next year is still at OMB. Sometime in early November, the President transmits the Current Services Budget to Congress for the upcoming year. The purpose of this submission is to give Congress an early start for establishing a baseline against which the January budget can be analyzed. AID's submission is an input into the President's Current Services Budget.

The final OMB budget figures are a major input into the Congressional Presentation. These figures become the level of appropriations requested by AID for the upcoming budget year. This is discussed more fully in Chapter V.

6. CHANGES IN THE ABS CYCLE

As previously stated, AID's Annual Budget Submission process has undergone significant changes in recent years. Major changes in the ABS cycle that were presented prior to the development of the 1980 ABS are scheduled for a 2-year implementation phase. The following list of changes either have been implemented last year or will be implemented this year as scheduled by AID/W. This list highlights the most significant changes, especially ones that have or may dramatically change the 1979 ABS. It should be noted that wherever these changes occur, vestiges of the previous system may currently exist.

- Expansion of the ABS from a 2-year budget document into a 3-year budget document; corresponding OMB budget marks have also been established
- Replacement of the DAP with the Country Development Strategy Statement (CDSS)
- Utilization of Zero-Based Budgeting as the major funding tool
- PIDs are no longer to be included in the ABS document
- Mission budget statements are to be similar in format to submissions prepared by Bureaus
- Missions must be capable of assessing a potential AID fund recipient via
  - The commitment and progress of the country toward helping its poor to meet their basic need
  - The human rights question
  - The impact of defense expenditures

- Long-range objectives (5 years) are to be set for projects and programs
- Adjustments in the ABS timetable have been implemented via
  - AID and State imposed requirements; more or different reviews, different document requests
  - A shift in OMB's requirements.

7. LEVEL OF DIRECT EFFORT AND COSTS

The tasks associated with the several phases of the Annual Budget Submission, for projects only, are estimated to annually consume approximately 6 percent of the total working time of the AID employees who are directly involved in ABS development.5 This figure represents nearly 200 person-years of effort at a cost of approximately $12.7 million. The effort and cost associated with development of operating expense budgets are not included in these figures. When included, the total ABS figures are 255 person-years, at a cost of $15.6 million, representing nearly 8 percent of total effort. Exhibit IV-1, on the following page, presents these and corresponding figures for the various bureaus having direct ABS involvement.

The methodology used to generate the person-year and cost figures was also used to arrive at the figures for the Project Development Cycle, summarized in the previous chapter and discussed in detail in Appendix C.

As was the case with the level of effort and cost findings regarding project development, the person-year and dollar figures associated with the ABS cycle are meaningful only in absolute terms. Because of different staff sizes among Bureaus, the only meaningful interbureau comparisons are those with respect to the percent of bureau effort devoted to the ABS. (The central Bureaus, however, are not comparable, even in percentage terms, because of the differences in their functions with regard to the ABS.)

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5 The frame of reference for calculating percent of total effort for the ABS differs from that used in the previous chapter regarding project development. The ABS percentages exclude foreign national direct hire and contractor effort, which is included in the project development percentages.

EXHIBIT IV-1
LEVEL OF DIRECT EFFORT ASSOCIATED WITH THE ANNUAL BUDGET SUBMISSION* FOR PROJECTS

ORGANIZATIONAL UNIT	LEVEL OF EFFORT		
	Person-Years	Percent of Bureau or Effort	Cost in Dollars (000's)
FIELD MISSIONS BY REGION***			
Africa	10.0	2	1267
Asia	5.3	2	628
L.A.C.	11.3	3	1280
N.E.	4.7	1	535
TOTAL	31.3	2	3710
AID/W GEOGRAPHIC BUREAUS			
Africa	13.9	7	745
Asia	11.8	10	628
L.A.C.	12.5	8	644
N.E.	8.5	6	452
TOTAL	46.7	8	2469
GEOGRAPHIC BUREAU TOTAL*** (AID/W and Field Missions)			
Africa	23.9	4	2012
Asia	17.1	4	1256
L.A.C.	23.8	5	1924
N.E.	13.2	3	987
TOTAL	78.0	4	6179
CENTRAL BUREAUS AND OFFICES			
PPC	25.3	16	1306
GC	1.1	2	54
SER	.7	**	35
LEG	-	-	-
IIA	1.2	2	57
FM	-	-	-
DS	91.0	13	4600
PDC	10.3	8	449
TOTAL	119.6	9	6561
U.S. AID			
Geographic Bureau Total	78.0	4	6179
Central Bureau Total	119.6	9	6561
TOTAL	197.6	6	12740

* Excludes time associated with development in operating expense budgets.

** Less than 1%.

*** U.S. direct hires only.

In terms of percent, there is less variation among the geographic bureaus in the time spent on the ABS than there is in the time spent on project development.

- Missions--The percentage of total mission time spent on the ABS, as reported by the missions, was between 1 and 3 percent of total U.S. direct hire staff time. The estimated costs of developing the ABS at the mission level are approximately $3.7 million[6] annually.

- AID/W Geographic Bureaus--In AID/W, 8 percent of the total time spent by all four geographic Bureaus is devoted to the projects portion of the ABS. Individually, Asia reported spending the most time, at 10 percent, while Near East reported the least, at 6 percent. The estimated cost of the total AID/W Geographic Bureau effort is $2.5 million[6] annually.

When the AID/W and mission levels of effort are added to yield totals for each of the four geographic Bureaus, there is little or no difference among them in terms of percent of total Bureau effort. Approximately 4 percent of the total Geographic Bureau staff time for all bureaus is spent on the ABS, at a combined cost of $6.2 million.

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6 The man-year cost differential between the mission and AID/W U.S. direct hire staff is approximately 3:1.

V. THE CONGRESSIONAL PRESENTATION PROCESS

The Congressional Presentation is the final budget stage AID must complete prior to receiving Congressional appropriations. In reality, it is the final presentation of the results of the ABS. The CP, like the ABS, is driven by a specific timetable, both for AID's submission to Congress and Congressional approval or disapproval of appropriations. The ABS becomes a major input into the CP when AID budget estimates are returned from OMB and set the level for requested appropriations from Congress. However, the input into each of the documents and the length of time to prepare and submit the ABS and CP vary significantly. The majority of time on the ABS is spent on preparing, reviewing, editing and submitting the document to a variety of offices within AID. OMB's handling of the document takes a relatively short period of time. The CP, on the other hand, is prepared in a much shorter yet concentrated time frame. The major proportion of calendar time spent on the CP is in the testimony/notification stage when Congress has the document. The CP process can be broken into four phases:

- Development and transmission of CP guidance
- Preparation and review of the draft CP
- CP adjustment via OMB budget determinations
- CP submission and Congressional testimony.

The following sections discuss these phases and their respective timetables as they relate to AID's annual Congressional Presentation.

1. THE DEVELOPMENT AND TRANSMISSION OF CP GUIDANCE

The development of the AID CP begins with the preparation of an outline for presentation and the development of guidance on the CP. The Office of Legislative Affairs (LEG) has primary responsibility for this task. Specific guidance on the preparation of country narratives and project data sheets for the CP is developed and subsequently sent to the field. The LEG also takes charge in assigning various sections of the CP to different bureaus and offices for

preparation. This coordinating and guidance transmittal phase begins about July-August and is completed within the first week of September.

2. DEVELOPMENT OF THE DRAFT CP

The actual preparation phase of the CP takes place at the same time that PPC is preparing its final presentation of the ABS for OMB through mid-November. This phase is composed of the following elements:

- The field receives its guidance on the preparation of the country narratives and project data sheets for the CP.
- The regional Bureaus provide tentative CP funding lines, based on the ABS estimates, to the field missions.
- The field missions prepare and submit their inputs into the CP back to AID/W.
- Preassigned Bureaus review the field CP material and complete their narrative sections; this involves hearing AID/W writing, editing and tabulating efforts.
- The CP submissions are transmitted back to LEG.
- LEG reviews and revises the CP sections.

The entire process of drafting the CP takes about two and one-half months to complete. The presentation is built around the primary funding plan set out in the ABS and submitted to OMB on or about September 15. The results of the OMB funding review, due back to AID around the first of December, can financially alter the CP as drafted, necessitating major rewriting in a short period of time.

3. FINAL ADJUSTMENTS OF THE CP

When the President decides on the budget limit and OMB transmits its budget decision to AID, the Agency has between 10 and 15 days to:

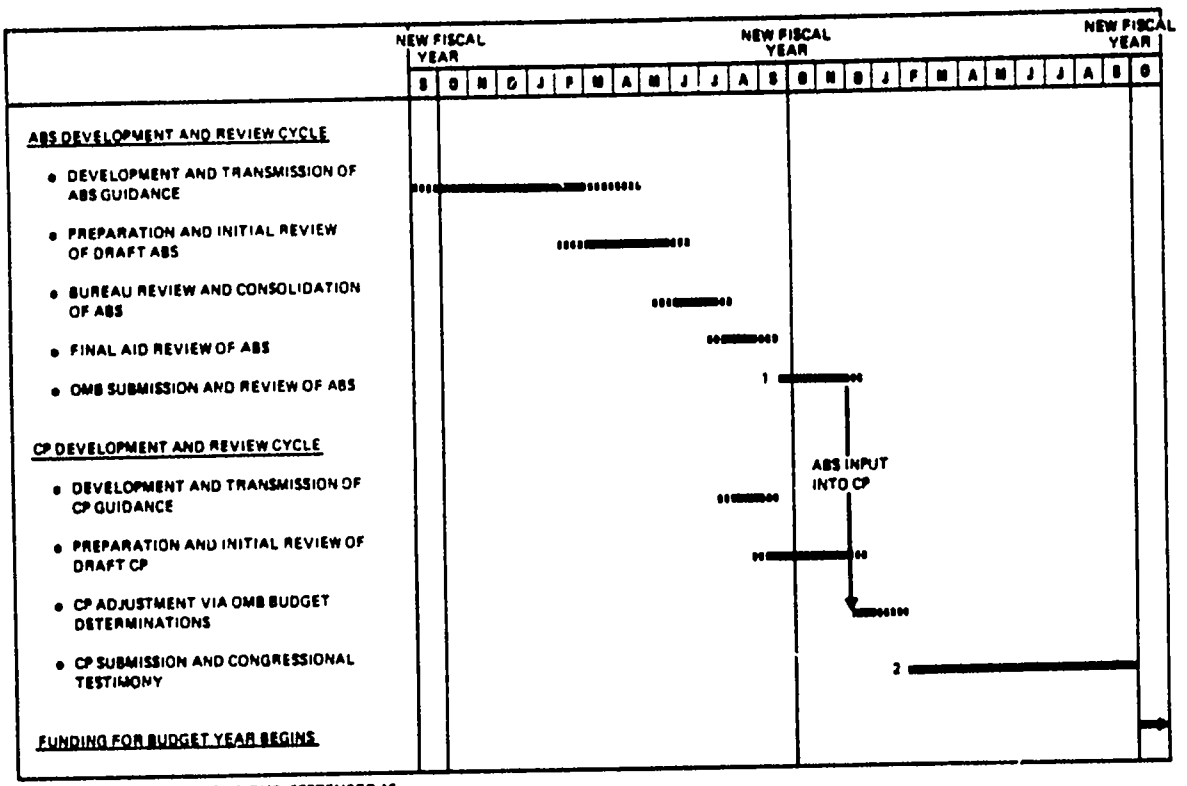
- Adjust the draft CP document to conform with OMB's budgetary level
- Petition the President for alterations in the OMB budget level, if budgetary cuts or increases appear out of order, and to receive the final Presidential decision
- Complete the review of the bureau-level CP material.

The entire package must be ready for reproduction by the first part of January. Typically, it takes approximately 2 to 3 weeks to have the final document produced and ready for presentation to Congress.

4. CP SUBMISSION AND CONGRESSIONAL TESTIMONY

The official transmittal date for AID's Congressional Presentation is February 1, 15 days after the President has submitted the budget for the entire U.S. Government to Congress. The President's budget contains totals for foreign aid by account and employment limitations for AID. AID's CP contains the Agency's program for the upcoming year by region, country and specific project. The CP is composed of a summary volume and additional support volumes for each major program category. From mid-December until February, the Bureaus in AID also prepare back-up material and testimony for Congress. Testimony on the CP frequently begins in March and may continue throughout the summer. As special requests or questions are presented by Congress, various bureaus in AID must respond by providing testimony or submitting written responses. Last year, for example, the Office of Development Planning in the Africa Bureau an estimated made 17 appearances before Congress. The entire process can last until mid-September when Congress reaches its deadline to complete action on AID appropriations. Assuming that Congress does act on the appropriations, AID establishes its operational year budget for the current year on October 1, almost 2 years after the preparation of initial ABS guidance. A graphic illustration of the 2-year timetable for the ABS and CP development, submission and approval is presented in Exhibit V-1, following this page.

EXHIBIT V-1
OVERVIEW OF THE ABS AND CP PROCESSES



1. AID SUBMISSION OF ABS TO OMB, SEPTEMBER 15.

2. AID SUBMISSION OF CP TO CONGRESS, FEBRUARY 1

5. LEVEL OF DIRECT EFFORT AND COST

The Congressional Presentation cycle is estimated to annually consume approximately 205 person-years of effort and has an associated cost of $9.6 million. This represents approximately 6 percent of total staff time.[7]

The number of person-years devoted to the CP are nearly the same as the number devoted to the ABS (198), although the costs associated with the CP are nearly 25 percent less than the costs associated with the ABS. This difference is due to the proportionately smaller level of effort devoted to the CP by the U.S. direct hire mission staff, whose person-year costs are roughly triple the costs of the AID/W staff. As shown in Exhibit V-2, on the following page, 54.4 person-years or, roughly, 83 percent of all the geographic Bureau CP effort is expended by AID/W staff. With regard to the ABS, AID/W expends approximately 60 percent of the effort. These findings are consistent with observations made by interviewees having both mission and AID/W experience.

The level of effort devoted to the CP is fairly uniform among the missions, AID/W geographic Bureaus, and total geographic Bureaus. On the average, geographic Bureaus report spending 9 percent of their total working time on the CP. The total central Bureau time reported as devoted to the CP is 139 person-years annually, or 11 percent of total central Bureau staff time. There is wide variation among the individual central Bureaus, reflecting their various CP responsibilities, but on the average, the central Bureau time devoted to the CP is comparable to the average AID/W geographic Bureau time.

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[7] The frame of reference for the percentage calculations with regard to the CP cycle excludes foreign national and contractor staff. It is the same frame of reference as was used to calculate percentages for the ABS cycle, in the previous chapter.

EXHIBIT V-2

LEVEL OF EFFORT ASSOCIATED WITH THE CONGRESSIONAL PRESENTATION

ORGANIZATIONAL UNIT	LEVEL OF EFFORT		
	Person-Years	Percent of Bureau of Effort	Cost in Dollars (000's)
FIELD MISSIONS BY REGION**			
Africa	4.0	*	507
Asia	0.9	*	107
L.A.C.	4.3	1	487
N.E.	2.0	*	228
TOTAL	11.2	*	1329
AID/W GEOGRAPHIC BUREAUS			
Africa	19.8	10	1064
Asia	9.4	8	503
L.A.C.	12.5	8	644
N.E.	12.7	9	677
TOTAL	54.4	9	2888
GEOGRAPHIC BUREAU TOTAL** (AID/W and Field Missions)			
Africa	23.8	4	1571
Asia	10.3	3	610
L.A.C.	16.8	3	1131
N.E.	14.7	4	905
TOTAL	65.6	3	4217
CENTRAL BUREAUS AND OFFICES			
PPC	17.4	11	898
GC	2.9	5	134
SER	25.0	9	1224
LEG	2.5	35	134
IIA	1.1	2	57
FM	4.0	20	199
DS	81.0	7	2509
PDC	5.2	4	225
TOTAL	139.1	11	5376
U.S. AID			
Geographic Bureau Total	65.6	3	4217
Central Bureau Total	139.1	11	5376
TOTAL	204.7	6	9593

* Less than 1%.

** U.S. direct hires only.

VI. CONCLUSIONS

This chapter of the report presents the conclusions which emerge from study findings discussed in Chapters III, IV and V. Two kinds of conclusions are presented here. The majority of the conclusions are directly derived from analysis of results obtained from structured interviews with Agency staff and from examination of project records. Other conclusions are more qualitative observations collected over the 6-week study period. The latter set of conclusions is offered to enrich direct study findings and to place them in the perspective of the overall issues which guided the study effort.

It should be noted that these conclusions are specifically focused on the work processes in the Project Assistance Cycle. The activities associated with project assistance are complex and require further analysis before conclusions about their effectiveness are reached. While this study does provide information on several key aspects of the Agency's project development and budgeting processes, the study's scope does not include an evaluation of the contribution current processes make to project assistance in relationship to their costs. Several conclusions do suggest areas where change may be opportune. These conclusions should be considered carefully, but should be subjected to a more comprehensive evaluation.

Study conclusions are presented in four sections:

- Conclusions related to the Project Approval Track
- Conclusions related to the Annual Budget Submission and Congressional Presentation Tracks
- Conclusions related to level of effort and cost estimates
- Overall conclusions and observations.

1. PROJECT APPROVAL TRACK

There is enough consistency in the manner in which the various geographic and central Bureaus develop, review and approve projects to say that the Agency adheres to similar project development procedures. At the same time, however, there is variation in how the Bureaus execute similar project development tasks. This variation results in different time and resource requirements.

There appear to be several broad characteristics of the project approval track that contribute to the complexity and the duration of the process. Among these characteristics are the following:

- The demand for detailed information during project development produces documents in addition to the PID and the PD, such as:
  - Feasibility studies
  - PID issue resolution studies which would include environmental impact analysis
  - Collection and analysis of baseline socio-economic data particularly for New Directions projects
  - A variety of correspondence and memoranda
- There is lack of clear delegation of project management responsibilities during AID/W review which creates a decision-making by consensus environment.
- Minimum project review requirements are neither well-documented in policy/procedural statements nor consistently observed on such procedures as:
  - Composition of project review committee
  - Criteria for project approval clearances and appropriate methods for securing clearance (signature versus telephone approval).

(1) Elapsed Time

A review of DA project files in the four geographic Bureaus found that the mean time for project

development was 19.7 months and the median time was 19.2 months. Project development was defined as the elapsed time from initial PID preparation to the Project Agreement.

- Preparation of the PP was consistently the longest phase of the project development process
- Total elapsed time varied among bureaus:
  - LAC project files revealed the shortest elapsed time with a mean of 14.9 months
  - Africa project files revealed the longest elapsed time with a mean of 23 months

There seems to be a pattern between total elapsed time and degree of Bureau decentralization. More decentralized Bureaus had the shorter total elapsed time.

Analysis of the project file documentation led to the observation that several factors tend to contribute to variations in processing time. These factors are:

- Complexity of the project design
- Availability and accessibility of specialized expertise
- Extent of clearances.

The complexity of the project design not only may contribute to the duration of the PP development phase but would also appear to increase the review and approval phases.

(2) Project Treatment Relative to Project Size

The review of selected project files did not provide conclusive findings on the extent to which DA projects with a LOP of less than $5 million received the same treatment and required the same amount of documentation as larger DA projects. The median elapsed time from initial PP preparation to Project Authorization was found to be longer by 10 percent for large projects (365 days) than for small projects (329 days).

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- While there is an observed difference, the findings are inconclusive because the different estimates could be a result of sampling.

- Additional analysis indicated that there is no apparent relationship between project dollar size and processing time.

Documentation which exists in the files did not reveal consistently different treatment of small versus large projects. Level of effort estimates would indicate the extend of any differential treatment but were not included in the scope of this study.

(3) Substantial Changes

The statement of work specified several types of substantive change categories which were to be utilized in exploring the extent to which projects undergo major change during the project approval cycle. Findings from the file review structured by these categories indicated that 16 percent of sampled projects experienced substantial change according to predefined criteria. Interview respondents noted a 12 percent change in categories not included in the study.

2. ANNUAL BUDGET SUBMISSION AND CONGRESSIONAL PRESENTATION

The procedures and documentation requirements for preparation, review and approval of the ABS and the CP have undergone several changes in the past few years. This results in observations that these work processes are in a period of transition. Bureaus are in various stages of implementing the new work processes, and vestiges of older approaches may still be found in Bureau and field mission activities.

Much of the difficulty in the work associated with the ABS and the CP is related to the intensity as well as the volume of the work. This appears to be especially significant for the preparation of the CP. The Bureaus experience a heavy work load following submission of the CP. The randomness of Congressional information requests combined with short lead times for their presentation create workflow management problems.

3. LEVEL OF EFFORT AND COST

There is some correspondence between the elapsed time findings and the level of effort findings on the project development process. The Bureaus for Africa and the Near East have higher levels of effort and longer elapsed time while the Bureau for Asia has a lesser level of effort and a shorter elapsed time. The Bureau for Latin America, however, does not fit into this pattern with findings of a higher level of effort and a shorter elapsed time. As noted in Chapter III, the elapsed time findings for LAC do not have the same start point as that for the other geographic Bureaus--LAC's processing time begins after PID preparation. LAC's high level of effort associated with a shorter elapsed time could result from this measurement difference in processing time.

While there do appear to be differences among the Bureaus in the level of effort devoted to the project development process, there is little difference in the level of effort devoted to the ABS and the CP process.

The Project Assistance Cycle is estimated to consume 813 federal staff years and $59.6 million annually. The staff years break down as follows:

- 410--Project Development Cycle
- 198--Annual Budget Submission
- 205--Congressional Presentation.

4. OVERALL CONCLUSIONS AND OBSERVATIONS

The Agency has experienced frequent changes in project development, budgeting and Congressional Presentation procedures in recent years. Several factors appear to be associated with this environment of frequent change:

- Lack of clarity and understanding of current project documentation/clearance requirements
- Some inefficiency in processing resulting from the continuous need to learn new procedures and the corresponding inability to establish routine and familiar procedures
- Resistance to change may impede any attempt at reformulation of these requirements.

The project development cycle itself probably cannot be significantly compressed due to the design and host country deliberations. It is these project development activities which account for the largest amoung of elapsed time from project identification to project approval. However, some time savings might be realized by streamlining the review and approval process, or by developing more manageable project documentation requirements.

The Project Assistance Cycle could become more efficient if the demand for documentation can be reduced or simplified. The success of any additional changes to current procedures, however, would depend on the extent to which implementation problems are anticipated and to which management control and decision-making activities are clarified and strengthened.

APPENDIX A

PROJECT FILE EXAMINATION

Documentation of AID project development process has required examination of projects that are presently active or approved. Examination of all projects presently active or approved would have been the ideal; in practice, resource and time constraints precluded this exhaustive review, since there are hundreds of such projects. In its place, a total of 80 projects were sampled, reviewed and analyzed. Conclusions presented in this report are based, in part, on the result of this project file examination.

It is the purpose of this appendix to describe three important characteristics of the project file examination:

- The project file selection process
- The project file review and data collection process
- The method of data aggregation and analysis.

Included as part of the selection process are the sampling criteria and a list of the 80 files that have been reviewed. The data collection process addresses the criteria used for accumulation of acceptable data. The data aggregation and analysis indicates details of Bureau and large/small project characteristics as related to change.

Each of these three characteristics is treated separately and in turn in the immediately following sections.

1. THE PROJECT FILE SELECTION PROCESS

The scope of this study has been limited tc development assistance programs for purposes of documentation of the project approval track. Further, only DA projects that are administered by the four geographic Bureaus were considered. This data set did include both regional and bilateral loans and grants funded by the geographical

Bureaus. Projects funded by AID/W and Security Supporting Assistance (SSA) programs have been excluded from the project approval track analysis, as have been AID's special programs including Housing Investment Guarantees, Foreign Director Assistance, ASHA, Reimburable Development Program, Food for Peace and non-project assistance programs.

Those projects that were retained as eligible for file review formed the total population from which a sample was drawn for review. This population was assembled from the Country Program Data Bank data file with the assistance of George Bliss and Robert Cunningham. The sampling was designed to satisfy certain requirements as outlined below.

(1) Requirements of the Sample

Documentation of the project approval track was required in a format permitting answers to the questions:

- Are small projects (value less than or equal to $5,000,000) processed differently than large projects?
- Do the geographic Bureaus process projects differently?
- What is the incidence of substantial change to programs as a result of AID/W activity during program development?

The sample had to include the following characteristics because of the above task imperatives:

- A reasonable probability of selecting projects that were substantially changed
- A significant number of large and small dollar value projects
- Projects from all four Geographic Bureaus.

Based on these sample requirements and knowing the population from which the selection was to be made, a sample was drawn.

(2) Sample Selection

The universe from which the sample was selected was a list of projects which are either currently active or approved. To ensure representativeness, a stratified random sample of total of 80 project files was selected with the strata defined by each of the four geographic Bureaus. Within each strata, 20 projects were selected at random.

The total sample size of 80 projects was selected as a compromise figure based on the need to provide a high degree of statistical precision on the one hand, versus the necessity to complete the effort within the 6-week study period on the other hand. The total sample size of 80 provides a range of $\pm$ 7.5 percent at the 95 percent confidence level around an observed value of 17.5 percent.[1]1 This degree of precision was judged adequate for the sample of all projects for this study.

The within-Bureau precision of the sample is less than the precision for all projects noted above. Therefore, care should be taken when interpreting the individual Bureau figures. Because of this relatively lesser precision, Bureau-level figures are not provided for the proportion of projects experiencing substantial change.

Samples were drawn using a quota-type approach. Care was taken to ensure that within each Bureau a representative number of projects were drawn that were:

- Less than or equal to $5,000,000
- Greater than $5,000,000.

(3) Some Sample Replacements Were Made

As review of the data proceeded, it became clear that a significant number of the projects initially selected for review were either not appropriate to the work scope or not representative of a project development cycle.

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1 G. Anedecor and W. Cochran, Statistical Methods, 6th Edition, Table 1.4.1.

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Certain common characteristics appeared among sample projects that did not support selection criteria. Basic file rejection criteria were established as a result. They are:

- Private or Voluntary Organization (PVO) Projects
- Gross unavailability of documentation.

The integrity of the sample required that substitutions be made for those projects rejected. The substitution criterion was that each replacement file have characteristics similar to the originally identified project in the following specific areas:

- "Loan/grant" status
- Dollar value category (large/small)
- Geographic Bureau.

2. PROJECT FILE REVIEW DATA COLLECTION

Although each project file contained basically the same information, the source of a given element of data varied among the files. Very often an approval document was not visible as such, rather the request for TDY personnel was the indication that approval had been given. In a number of instances, even given one or more substitutions, a full set of data was not identified. This situation was by far most prevalent in the pre-PP preparation phases of project development. It appears to reflect the fact that early project development was not standardized in the past. As a result, the statistics presented in the body of the report in some instances reflect a base of less than 80 sample files.

The variable nature of the data presented problems with respect to standardization of the information retrieval and analysis. Certain data capture criteria were identified and adopted as standard for all projects. The criteria are listed below and are related to the elapsed time calculation to which they apply.

(1) Pre-PP Preparation Time

PID preparation time is considered to be the duration between the first assertion by USAID that

the idea would, in fact, be proposed as a project and the forwarding of the PID document to AID/W.

In practice, PID preparation time is the most difficult parameter to identify. Generally, there is no formal direction given to commence PID preparation. The files examined indicated that until very recently the PID was substantially less formalized and comprehensive. Only recently has the AID Bureau for Latin America and the Caribbean maintained any record of PID submittals. The nearest equivalent to the PID of today is the combination of PID and Project Review Paper (PRP).

Multiple PID's were often submitted with the ABS. Because the submittals reflect preparation times that could have immediately preceded the ABS submission, or could have been prepared some time the previous year, there is virtually no project file visibility into PID preparation time.

What is generally identifiable in the early stages of project development is the submittal of the first formal AID document to AID/W for approval. This document could be, variously:

- Project Identification Document (PID)
- Project Review Paper (PRP)
- Intensive Review Request (IRR)
- Capital Assistance Paper (CAP).

These document submittals form the baseline for development of elapsed time calculations.

(2) Review and Approval of the First Formal USAID Proposal--Pre-Project Paper Efforts

The review and approval duration of the first formal AID proposal commences with receipt of the proposal by AID/W. This is normally indicated by a:

- Forwarding cable
- PRP/IRR cover sheet date
- Other incidental cable traffic discussing pouching/receipt of the document.

The duration calculation for development and approval of this initial plan is based on the date when approval is granted. This date is often less clear cut. Several possible file entries are acceptable as an indicator of approval:

- An approval cable or letter
- A cable indicating conditional approval (normally the fulfilling of the conditions becomes part of the PP preparation process)
- Absent all other documentation, a request for TDY or consultant design team support for additional research.

(3) Design Team Activity

The formation and effort of the design is perhaps the most complex portion of the project development cycle. It often extends backwards to (and probably prior to) the earliest file reference and forward to implementation. There is often neither start nor completion of the involvement of project design team numbers, particularly when they include outside consultants. As a result, data in this category are sketchy and only qualitative conclusions are drawn on the basis of the apparent degree of design team involvement.

(4) Project Paper Preparation

Project Paper preparation elapsed time is represented as the difference between the approval date of the first formal USAID project document and the submittal of the PP to AID/W. The acceptable dates defining this interval are:

- For the approval of the first formal USAID document--as indicated in the previous subsection.
- For submittal of the PP:
  - Cable indicating date of PP transmittal
  - Notification letter or cable by AID/W of PP receipt

- If no other date is available, the sign-out date on the PP cover sheet.

This information has been found to be generally available and consistent.

(5) Project Review and Approval

The PP review and approval cycle incorporates at least one meeting of the Project Advisory Committee; however, very often the committee meets several times and the PP is iterated at least once.

For the purposes of this evaluation, PP review and preparation time is defined as the time available between the PP arrival in AID/W and its final approval. Acceptable dates indicating these events are as follows:

. For submittal of the PP--as indicated in the previous subsection

. For final approval of the PP:

  - Notification of approval cable to the mission involved

  - Other cable/letter traffic indicating the approval of the PP (and a date)

  - The date on the PP.

These data were found consistently throughout the file review.

(6) Project Authorization

Project Authorization elapsed time is considered to be the duration between approval of the Project Paper and Authorization of the project by the Bureau. Acceptable dates are available via the following source documents:

. PP approval--as stated in the preceding subsection

. Authorization of the project:

- Authorization request document, date signed

- Cable/letters indicating date that authorization was signed.

(7) Project Agreement

This represents the last portion of the process and requires that the host country sign the loan or grant document. The date of the agreement is acceptable for use in calculating total time duration.

In addition to establishing acceptable data for collection of elapsed time information, it was also necessary to fix certain other characteristics. The following reflect standard practice used in data collection and manipulation.

. Where only month/year information was available and no indication as to date exists, the middle of the month XX/15/XX was used.

. Where no dates could be formed from file review alone, project personnel were contacted. Where possible, their input reflects their access to additional documentary evidence rather than estimates.

. Where data remain missing, after substitution of projects, file search and project personnel consultation, the project was retained but only counted in statistics for which appropriate data exist.

3. AGGREGATION AND ANALYSIS OF THE DATA

The data accumulated from the project file reviews were collected and manipulated in response to those questions for which the research was originally undertaken. They are:

. What is the incidence of substantial change to program as a result of AID/W activity during program development?

- Are small projects processed differently than large projects?

- Do the geographic Bureaus process projects differently?

In this section of the appendix a description of the analyses performed on the file review data as related to each of the above questions is provided. Each of the three questions is treated as a subsection preceded by the introduction of the survey results in gross chart form.

Exhibits A-1 through A-4, following this page, display the results of the file review for each bureau. Listed down the left-hand side of each matrix are the project numbers of the projects reviewed and an indication of their loan/grant status and size. Five million dollars or less was considered to be a small project and above $5 million large. The body of the chart is devoted to recordation of dates and, in columns as marked, derivative elapsed times between certain dates. The elapsed time calculations that appear in the data sheets are as follows:

- PID preparation time

- PID review and approval time

- PRP preparation time

- PRP review and approval time

- PP preparation time

- PP review and approval time

- Time between PP approval and Project Authorization

- Time between Project Authorization and Project Agreement.

In the general case elapsed time values were calculated as the difference between dates as outlined in the preceding section. There were several exceptions to this rule:

- In the Bureau for Latin America and the Caribbean no PID preparation data were available. As a result, a normal calculation of total elapsed time was not possible. The problem was remedied as follows:

BUREAU: ASIA

PROJECT NUMBER	LOAN / GRANT	PROJECT SIZE SMALL < $M	PROJECT SIZE LARGE > $M	PID PREPARATION (d) BEGINS	PID FORWARDS TO AID/W	PID APPROVAL	PRP PREPARATION BEGINS	PRP FORWARDED TO AID/W	PRP APPROVAL	PID/PRP PREPARATION (DAYS)	PID/PRP REVIEW & APPROVAL (DAYS)	PR...
367-0115	G	X						1/27/75	3/17/75	–	80	
367-0123	G	X						2/15/75		–	–	
383-0040	L	X						2/20/75	4/15/75	–	55	4/1
383-0043	G/L	X(G)	X(L)		6/30/76				10/20/76	–	–	10/2
383-0045	L	X					8/15/76	11/ 5/76	1/15/77	29	70	1/1
388-0028	G	X			6/21/76	7/15/76			8/15/76	–	24	8/1
388-0035	G		X		6/21/76	2/15/77				–	234	2/1
391-0414	L	X			N/A					–	–	2/2
391-0418	G	X			N/A				5/15/75	–	–	5/1
492-0281	L		X					1/26/75	2/18/75	–	20	2/1
492-0288	L	X			5/26/76	7/15/76		10/15/76	12/15/76	–	109	12/1
492-0291	L/G	X			5/28/76	7/ 9/76		9/19/76	10/21/76	–	73	10/2
492-0298	L		X		5/28/76	9/15/76	9/15/76		10/19/76	–	107	11/1
492-0302	L/G	X(L)	X(G)						6/15/76	–	–	6/1
492-0306	L		X		6/23/75					–	–	
492-0295	G	X			6/10/76	9/ 9/76	9/ 9/76		12/ 7/76	–	89	12/
497-0246	G	X			6/20/76			12/11/75	12/18/75	–	7	1/1
497-0261	L		X					12/19/75	3/19/76	–	90	4/1
497-0267	L/G	X(G)	X(L)		12/ 1/75			4/22/75	12/19/75	–	236	12/1
497-0271	L		X		6/30/76			10/12/76	1/ 7/77	–	–	1/
AVERAGE VALUES										90	92	

EXHIBIT A-1
USAID
ASIA PROJECT FILE DATA SUMMARY

...PPROVAL (DAYS)	PP PREPARATION AUTHORITY	PP SUBMISSION TO AID/W	PROJECT PAPER REVIEW	PROJECT PAPER APPROVAL	PROJECT PAPER PREPARATION (DAYS)	PP REVIEW & APPROVAL (DAYS)	PROJECT AUTHORIZATION	PROJECT AUTHORIZATION TIME (DAYS)	PROJECT AGREEMENT	PROJECT AUTHORIZATION TO PROJECT AGREEMENT (DAYS)	TOTAL TIME - PROJECT INITIATION TO PROJECT AGREEMENT (DAYS)
				6/27/75	–	–		–		–	–
		3/25/77	4/11/77	9/15/77	–	170	9/29/77	14	12/28/77	90	–
	4/15/75	5/25/77	6/10/76	6/20/76	405	25	6/29/76	9	5/23/77	329	–
	10/20/76	3/25/77	4/22/77	5/10/77	155	45	6/17/77	47	2/28/78	251	603
	1/15/77	8/15/77	9/ 9/77	9/15/77	210	30	9/30/77	15	2/28/78	148	–
	8/15/76	4/ 5/77	9/27/77	9/28/77	230	172	9/28/77	1	9/30/77	2	494
	2/15/77	5/ 3/77	7/28/77	8/15/77	183	102	8/26/77	11	8/31/77	5	435
	2/24/75	5/ 8/75		10/ 9/75	227	151	12/ 5/75	56	4/ 8/76	123	–
	5/15/75	7/8/78	9/ 1/76	9/23/76	417	75	9/23/76	–	9/30/76	–	–
	2/18/75	11/28/75		12/18/75	280	20	3/12/76	24	4/21/76	39	–
	12/15/76	2/ 3/77	7/19/77	7/21/77	48	168	8/19/77	28	1/13/78	144	592
	10/21/76	8/25/77	9/16/77	11/15/77	304	80	12/15/77	30	5/ 3/78	138	705
	11/10/76	8/23/77	9/27/77	1/31/78	283	158	2/24/78	23	5/19/78	85	711
	6/15/76		9/ 9/76	11/15/76	153	–		–		–	–
		4/14/76	4/27/76	5/11/76	–	27	6/30/76	49	8/ 6/76	36	408
	12/ 7/76	6/21/77	9/15/77	1/16/78	194	205	3/ 7/78	51	4/19/78	42	679
	1/15/76	7/15/77	8/29/77	9/15/77	545	60	9/16/77	1	1/28/78	132	583
	4/15/76	8/16/77	8/24/77	8/31/77	485	15	9/23/77	22	4/12/78	199	–
	12/19/75	8/ 8/77		9/ 2/77	594	24	3/ 8/78	186	3/30/78	22	485
	1/ 7/77	10/15/77	1/23/78	2 1/78	388	106	4/13/78	72	7/13/78	90	743
					283	91		38		110	583

NOTE: (a) 60 DAYS USED IN TOTAL ELAPSED TIME CALCULATION AS PID PREPARATION BEGINS – TO – PRP APPROVAL DURATION

BUREAU: NEAR EAST

PROJECT NUMBER	LOAN / GRANT	PROJECT SIZE SMALL < $M	PROJECT SIZE LARGE > $M	PID PREPARATION (a) BEGINS	PID FORWARDS TO AID/W	PID APPROVAL	PRP PREPARATION BEGINS	PRP FORWARDED TO AID/W	PRP APPROVAL	PID/PRP PREPARATION (DAYS)	PID/PRP REVIEW & APPROVAL (DAYS)	PP PRE...
150-0002	L	X								–	–	1/15
150-0003	L	X								–	–	1/15
150-0004	L	X	X							–	–	4/14
276-0006	G	X			6/30/75					–	–	9/17
279-U-001	L	X					11/ 1/74		12/13/74	–	–	12/13
279-0019	G	X		1/15/73	5/15/73					120	–	1/15
279-0024	G	X		9/15/72				10/22/74	5/30/75	–	218	1/22
279-0028	G	X								–	–	11/27
279-0040	G		X	7/ 1/76	7/ 8/76	7/23/76			11/19/76	7	15	10/15
279-0051	G	X						4/15/76		–	–	
306-0142	G	X						9/15/75		–	120	1/18
306-0144	G	X							1/ 5/76	–	–	
306-0149	G		X							–	–	
306-0163	G	X		9/30/76	11/ 8/76	1/26/77				39	78	1/26
544-0300	G	X						12/17/76		–	26	1/19
608-T-004	L		X	9/ 1/74	9/30/74	10/15/74		11/15/74	1/13/77	54	15	
608-T-043	L		X				10/20/74			–	–	4/ 1
608-0139	G	X			7/15/76	12/15/76	9/15/74		12/13/74	–	150	
664-0296	L/G	X			7/31/76	8/ 4/76				–	4	
664-0318	L	X			4/11/77	7/ 8/77				–	87	7/21
AVERAGE VALUES										55	79	

EXHIBIT A-2
USAID
NEAR EAST PROJECT FILE DATA SUMMARY

...PPROVAL (DAYS)	PP PREPARATION AUTHORITY	PP SUBMISSION TO AID/W	PROJECT PAPER REVIEW	PROJECT PAPER APPROVAL	PROJECT PAPER PREPARATION (DAYS)	PP REVIEW & APPROVAL (DAYS)	PROJECT AUTHORIZATION	PROJECT AUTHORIZATION TIME (DAYS)	PROJECT AGREEMENT	PROJECT AUTHORIZATION TO PROJECT AGREEMENT (DAYS)	TOTAL TIME – PROJECT INITIATION TO PROJECT AGREEMENT (DAYS)
	1/15/75	2/10/75	2/26/75	2/26/75	25	16	2/26/75	1	2/28/75	2	–
	1/15/75	2/10/75	2/21/75	3/ 5/75	25	25	6/24/75	109	6/30/75	6	–
	4/14/76	4/20/76	4/27/76	8/15/76	6	55	6/29/76	14	8/13/76	44	–
	9/17/75	5/19/76	6/ 7/76	6/10/76	264	21	6/17/76	7	6/28/76	11	363
	12/13/74		6/10/75	6/28/75	–	–	6/25/75	7	7/17/75	23	–
	1/15/74	3/18/74	11/15/74	2/19/75	63	336	3/10/75	21	5/19/75	69	734
	1/22/76	4/17/76	5/11/76	6/ 4/76	85	47	6/25/76	21	6/29/76	4	1345
	11/27/76	4/15/77	6/ 1/77	6/27/77	138	72	8/24/77	57	8/31/77	7	–
	10/15/76	8/ 1/77	8/25/77	11/15/77	285	104	2/14/78	89	2/27/78	13	594
		6/11/76	6/17/76	6/28/76	–	14	6/28/76	3	6/30/76	2	–
	1/18/76	5/ 1/76	5/27/76	5/30/76	103	29	6/24/76	24	4/23/78	364	–
		3/ 9/76	4/14/76	5/ 3/76	–	54	5/24/76	21	6/30/76	38	–
		12/ 3/76	12/10/76	12/28/76	–	26	7/ 5/77	186	8/29/77	54	–
	1/26/77	8/22/77	8/31/77	9/ 3/77	206	11	9/20/77	17		–	–
	1/19/77	5/28/77	6/ 8/77	6/13/77	129	15	7/28/77	45	11/23/77	115	–
		11/15/75	4/15/76	5/15/76	–	180	5/28/76	13	6/14/76	16	619
	4/ 1/75	5/15/75	5/15/75	5/21/75	44	6	5/29/75	8	11/ 7/75	158	–
		4/ 7/78	4/20/78	4/30/78	–	23	6/25/78	55	10/15/78	110	810
		8/10/77	8/16/77	8/27/77	–	17	9/30/77	33	12/29/77	89	513
	7/21/77	6/ 8/78	6/23/78	6/30/78	317	22	7/26/79	26	7/31/78	--	475
					128	56		38		56	681

NOTE: (a) 68 DAYS USED IN TOTAL ELAPSED TIME CALCULATION AS PID PREPARATION BEGINS – TO – PRP APPROVAL DURATION

BUREAU: AFRICA

PROJECT NUMBER	LOAN / GRANT	PROJECT SIZE SMALL < $M	PROJECT SIZE LARGE > $M	PID PREPARATION (s) BEGINS	PID FORWARDS TO AID/W	PID APPROVAL	PRP PREPARATION BEGINS	PRP FORWARDED TO AID/W	PRP APPROVAL	PID/PRP PREPARATION (DAYS)	PID/PRP REVIEW & APPROVAL (DAYS)	
615-0169	L+G		X	5/ 5/76	5/25/76	7/26/77				20	61	7/
621-0135	G	X				5/21/77				–	–	5/
621-0143			X		10/24/75	3/ 5/77				–	496	3/
625-0617	G	X						1/22/75	1/24/75	–	2	2/
625-0911	G		X	5/15/75	7/15/75	8/15/75				60	30	8/
625-0928	G		X					9/15/76	12/ 5/76	–	80	12/
626-0203	G+L		X					2/15/75	2/21/75	–	6	6/
631-0004	G		X				2/24/75	5/15/75	5/20/75	81	5	6/
631-0011	L		X		6/30/76		12/30/76			–	–	1/
635-0202	G	X					9/15/76	11/15/76	12/15/77	60	30	1/
641-0073	G	X			7/ 3/75	9/27/75	10/15/75	5/28/76	10/15/76	223	221	2/
649-0101	G		X	6/20/77	7/16/77	11/25/77				155	129	5/
650-0011	G		X	7/15/77	8/ 3/77	9/ 5/77				18	32	9/
650-0020	G	X		5/15/77	9/12/77	4/26/78				117	224	4/
650-0021	G		X	10/ 9/77	10/18/77	12/10/77				9	52	12/
655-0005	G	X				7/22/76				–	–	8/
685-0218	G	X			6/15/76			11/30/76	1/19/77	–	–	1/
688-0207	G	X		6/10/75	6/30/75	7/31/75	8/15/75	12/ 1/75	12/ 8/75	125	38	12/
688-0213	G	X			6/15/76	7/15/76				–	30	1/
AVERAGE VALUES										87	96	

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EXHIBIT A-3
USAID
AFRICA PROJECT FILE DATA SUMMARY

PID/PRP REVIEW & APPROVAL (DAYS)	PP PREPARATION AUTHORITY	PP SUBMISSION TO AID/W	PROJECT PAPER REVIEW	PROJECT PAPER APPROVAL	PROJECT PAPER PREPARATION (DAYS)	PP REVIEW & APPROVAL (DAYS)	PROJECT AUTHORIZATION	PROJECT AUTHORIZATION TIME (DAYS)	PROJECT AGREEMENT	PROJECT AUTHORIZATION TO PROJECT AGREEMENT (DAYS)	TOTAL TIME - PROJECT INITIATION TO PROJECT AGREEMENT (DAYS)
61	7/26/77	6/12/78	7/13/78	7/14/78	321	32	8/ 9/78	25	8/29/78	10	844
-	5/21/77	4/14/78	4/18/78	5/ 5/78	328	21	6/ 5/78	30	8/11/78	66	-
96	3/ 5/77	8/15/77	9/20/77	4/15/78	155	240	5/24/78	39	8/16/78	82	1025
2	2/10/75	4/25/75	5/29/75	6/11/75	75	106	7/18/75	37	2/26/76	218	-
30	8/15/75	3/27/78	4/14/78	6/15/78	952	78	7/27/78	42	9/25/78	58	1205
80	12/20/76	4/15/77	5/15/77	10/15/77	115	180	12/ 6/77	51	12/ 7/77	1	-
6	6/ 4/75	3/10/76	3/20/76	4/ 2/76	276	22	6/30/76	88	11/22/76	142	-
5	6/ 1/75	1/25/77	6/15/77	7/11/77	603	196	1/15/78	194	5/18/78	123	-
-	1/15/78	5/ 4/78	6/15/78	7/13/78	109	69	8/17/78	34	8/30/78	13	790
30	1/15/76	7/15/77	8/19/77	9/15/77	546	60	2/29/78	165	3/30/78	31	-
21	2/15/77	4/21/77	6/15/78	6/27/77	66	66	7/10/77	14	7/15/77	5	741
29	5/18/78	8/18/78	8/28/78	8/31/78	120	13	9/18/78	18	•	16	444
32	9/ 5/77	1/26/78	2/ 3/78	3/ 7/78	141	71	5/ 7/78	150	8/30/78	23	410
24	4/26/76	8/ 1/78	8/26/78	9/ 2/78	124	31	9/18/78	16	•	16	386
52	12/10/77	6/15/78	6/20/78	6/26/78	185	11	8/23/78	57	8/30/78	7	321
-	8/ 5/76	11/15/76	12/15/76	12/20/76	102	35	1/21/77	31	3/21/77	60	-
-	1/22/77	3/ 6/78	3/17/78	3/25/78	409	19	5/16/78	51	6/29/78	43	743
38	12/15/75	8/15/76	11/24/76	12/ 2/76	240	107	4/12/77	130	5/13/77	31	703
30	1/ 1/78	5/ 2/78	5/19/78	5/25/78	121	23	6/30/78	35	7/28/78	28	772
96					262	73		63		51	699

NOTE: (a) 60 DAYS USED IN TOTAL ELAPSED TIME CALCULATION AS PID PREPARATION BEGINS – TO – PRP APPROVAL DURATION

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BUREAU: LATIN AMERICAN AND THE CARIBBEAN

PROJECT NUMBER	LOAN / GRANT	PROJECT SIZE: SMALL < $M	PROJECT SIZE: LARGE > $M	PID PREPARATION (a) BEGINS	PID FORWARDS TO AID/W	PID APPROVAL	PRP PREPARATION BEGINS	PRP FORWARDED TO AID/W	PRP APPROVAL	PID/PRP PREPARATION (DAYS)	PID/PRP REVIEW & APPROVAL (DAYS)	
511-0477	G	X					10/15/74	12/16/74	2/ 3/75	61	47	2
513-T-065	L		X				8/15/74	10/10/74	10/17/74	55	7	10
514-T-078	L	X		12/30/74				1/ 8/75	2/ 1/75	–	23	2
514-0186	G	X						9/ 1/75	9/ 8/75	–	7	9
514-0187	G	X								–	–	2
515-0133	G	X					5/15/76	7/ 2/76	7/19/76	47	17	8
519-0172	L/G	X						1/15/76		–	–	3
521-0073	G	X					1/15/74	3/25/74	4/ 3/74	70	7	4
521-0083	L/G	X(G)	X(L)				5/15/75	12/ 1/75	12/17/75	198	16	1
522-0124	G	X					12/15/74	12/15/75	3/ 3/75	365	78	4
524-T-031	L		X							–	–	12
524-0139	G	X					6/ 1/77		12/12/77	–	–	12
526-0103	G	X						5/ 1/75	9/11/75	–	130	
526-0104	G	X						5/25/74	9/ 1/74	–	96	
526-0501	G	X					3/15/76			–	–	
527-0143	G	X								–	–	
532-0040	G	X						2/15/76	2/22/76	–	7	2
596-T-016	L		X					12/5/76	12/23/75	–	18	1
596-0065	G	X					11/10/75			–	–	12
596-0567	G	X		5/10/74					8/15/74	–	–	8
AVERAGE VALUES										132	38	

EXHIBIT A-4
USAID
LATIN AMERICA AND CARIBBEAN
PROJECT FILE DATA SUMMARY

& APPROVAL (DAYS)	PP PREPARATION AUTHORITY	PP SUBMISSION TO AID/W	PROJECT PAPER REVIEW	PROJECT PAPER APPROVAL	PROJECT PAPER PREPARATION (DAYS)	PP REVIEW & APPROVAL (DAYS)	PROJECT AUTHORIZATION	PROJECT AUTHORIZATION TIME (DAYS)	PROJECT AGREEMENT	PROJECT AUTHORIZATION TO PROJECT AGREEMENT (DAYS)	TOTAL TIME - PROJECT INITIATION TO PROJECT AGREEMENT (DAYS)
	2/ 5/75	8/ 1/75	8/15/75	9/ 1/75	176	30	9/ 1/75	1	12/29/75	120	58[illegible]
	10/17/74	12/15/74	12/18/74	12/29/74	58	14	12/30/74	1	4/30/75	120	253
	2/ 1/75	5/ 6/75	5/13/75	6/ 1/75	95	25	9/19/75	108	2/20/76	151	415
	9/15/75	10/15/75	10/28/75	5/ 7/76	30	202	5/ 7/76	1	6/15/76	38	354
	2/20/75	10/15/75	2/ 6/76	2/13/76	135	118	2/15/76	2	6/ 9/76	[illegible]	–
	8/15/76	11/15/76	12/15/76	12/19/76	90	34	1/12/77	23	3/15/77	63	319
	3/15/77	3/29/78	4/19/78	4/19/78	14	20	4/20/78	1	5/ 3/78	13	–
	4/18/74	5/13/74	5/17/74	6/ 1/79	25	18		–		–	–
	1/15/76	11/18/76	11/24/76	12/15/76	303	27	8/31/77	255	1/15/78	135	452
	4/ 1/75	5/20/76	9/ 1/76	9/ 2/76	415	102	10/17/76	45	12/20/76	57	716
	12/20/74	5/ 9/75	5/19/75	6/23/75	139	44	9/26/75	93	9/27/75	1	–
	12/16/77	5/ 4/78	5/ 4/78	5/11/78	138	7		–	3/30/78	–	–
		10/15/76	10/22/76	10/29/76	–	14	9/15/77	315	11/21/77	66	859
		1/20/75	4/ 1/75	4/ 1/75	–	71	4/14/75	13	10/22/75	188	475
		5/ 1/76	5/19/76	6/11/76	–	40	7/ 1/76	20	8/15/76	44	–
		2/15/76	3/26/76	4/ 5/76	–	50	6/10/76	65	1/15/78	725	–
	2/28/76	5/17/76	6/11/76	6/15/76	79	28	6/15/76	1	6/29/76	14	187
	1/15/76	5/13/76	6/ 9/76	6/29/76	118	46	1/25/77	105	2/ 2/77	7	–
	12/15/75	2/20/76	4/ 1/76	4/15/76	65	[illegible]5	4/20/76	5	9/20/76	150	464
	8/15/74	4/15/76	4/22/76	4/29/76	605	14	5/[illegible]/76	21	5/20/76	1	375
					168	48		65		112	454

NOTE: (a) 60 DAYS USED IN TOTAL ELAPSED TIME CALCULATION AS PID PREPARATION BEGINS – TO – PRP APPROVAL DURATION

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- An estimate of the average time between PID preparation and PRP approval was made for the two instances in which the data were available. A mean time of 60 days was used.

- Elapsed times between PRP approval and Project Agreement were then calculated and the 60-day figure added to each. This figure was then used as the total elapsed time data base for LAC. A total of 12 data points were available.

. In all Bureaus average elapsed times reflect the mean of only those data points available.

. Total pre-PID time represents the sum of 2 durations

  - PID/PRP preparation time
  - PID/PRP review and approval time.

(1) Incidence of Substantial Change

Part of our task was to measure the degree to which AID/W influenced the project development process. To do this, a set of substantial changes was defined to us in our work scope. These changes were to be used as the measure for AID/W performance. The change categories were:

. One Development Area to Another (e.g. agriculture to nutrition)

. One Geographical Area to Another (e.g. Kenya to Tanzania)

. One Life of Project (LOP) Amount to Another (at least double)

. One Host Country Agency to Another

. From Technical Assistance Project to Commodity Procurement

. Change in Project Components and/or Other Donor Involvement

- From Development Assistance to Security Agreement

As part of our file search, changes in any of these categories meeting the category criteria were noted. The source of the change, that is, AID/W-initiated or resulting from some other source, was also indicated. These data were collated and our findings developed with respect to AID/W change activity.

Additionally, our file review, along with information gleaned from the interview process, established that other change of significance existed in the process. Although they did not fully meet the pre-defined criteria for change, they did influence the design of the project.

(2) Treatment of Large and Small Projects

One part of our task was to determine if there was a difference in treatment of large and small projects using the $5 million delimiter. This assessment falls into three categories.

- Differences in elapsed times for project development
- Differences in project documentation requirements
- Differences in the level of effort devoted to the project development.

The file search permits conclusions to be drawn in the first two areas. In doing so, the following method was used.

- Elapsed Times-Project development durations were plotted against project value. The resulting scatter diagram indicated a lack of correlation between size and time.
- Level of Documentation-Impressionistic data coming from the file review was coupled with interview data. The resulting finding indicates that project size does not normally influence project documentation.

Level of effort information was treated as part of the cost section of our study and is described elsewhere in the report.

(3) Processing Differences Among the Geographic Bureaus

Mean and median processing times were generated for each Bureau on the basis of total process elapsed time as indicated in the bottom right hand corner of each of the four data exhibits. Additionally, elapsed time data were tabulated for each of five main development cycle phases. They are:

- Phase I - Pre-PP Project Development
- Phase II - Project Paper Preparation
- Phase III - Project Paper Review and Approval
- Phase IV - Project Paper Approval-to-Project Authorization
- Phase V - Project Authorization-to-Project Agreement

For each of these phases, an average and median elapsed time was developed at the agency level using data drawn from all four Bureaus.

APPENDIX B

TECHNICAL APPROACH TO SAMPLE SELECTION AND DATA COLLECTION FOR TIME DISTRIBUTION ESTIMATES

A sample of time distribution estimates was collected as the basis for estimating the time and resources devoted to project development and budgeting by field missions and AID/W offices. The sampling approach identified all primary participants in the Project Assistance Cycle. This cycle includes the project approval, ABS, and Congressional Presentation tracks.

Two data collection approaches were utilized:

- Representatives from all AID/W offices directly involved in project approval, ABS preparation and CP preparation were asked to provide estimates of the percent of staff time their office devotes to these processes.

- All field units on List P were requested to cable responses on the percent of staff time their office devotes to these processes.

In addition, a selected number of AID/W staff who have recently returned from a field unit post were asked to provide estimates on their former mission's percent of staff time devoted to project development and budgeting.

The following sections of this appendix describe the data collection process for obtaining the time distribution estimates.

1. AID/W INTERVIEWS

A total of 70 AID/W interviews provided work distribution estimates. The list of AID/W offices and recently returned mission representatives that participated in the effort to collect time distribution estimates is presented in Exhibit __, beginning on the following page. The sampling rationale selected all AID/W offices directly participating

EXHIBIT B-1
USAID OFFICES SELECTED FOR
WORK DISTRIBUTION INTERVIEW

Regional Bureaus n=31

1. Bureau for Latin America and Caribbean (7)

   Office of the Assistant Administrator
   Executive Management Staff
   Office of Development Programs
   Office of Development Resources
   Office of Caribbean Affairs
   Office of South American Affairs
   Office of Central American Affairs

2. Bureau for Africa (9)

   Office of the Assistant Administrator
   Executive Management Staff
   Office of Development Planning
   Office of Development Resources
   Office of East Africa Affairs
   Office of Central and Anglophone West Africa Affairs
   Office of Sahel and Francophone West Africa Affairs
   Office of Regional Affairs
   Office of Southern Africa Affairs

3. Bureau for Asia (8)

   Office of the Assistant Administrator
   Executive Management Staff
   Office of Development Planning
   Office of Project Development
   Office of Technical Resources
   Office of Bangladesh, India and Sri Lanka Affairs
   Office of Philippines and Thailand Affairs
   Office of Indonesia and South Pacific/Asian Affairs

4. Bureau for Near East (7)

   Office of the Assistant Administrator
   Office of Development Planning
   Office of Project Development
   Office of Technical Support
   Office of Near Eastern/North African Affairs
   Office of Egypt/Israel Affairs
   Office of Jordan/Lebanon/Syria Affairs

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CENTRAL BUREAUS n=27

1. Office of the Auditor General (1)

   Office of the Auditor General

2. Office of Legislative Affairs (1)

   Office of the Assistant Administrator

3. Office of the General Counsel (1)

   Office of the General Counsel

4. Office of Financial Management (1)

   Office of the Controller

5. Bureau for Intragovernmental and International Affairs (1)

   Office of the Assistant Administrator

6. Bureau for Program and Policy Coordination (6)

   Office of the Assistant Administrator
   Office of Women in Development
   Office of Planning and Budgeting
   Office of Policy Development and Program Review
   Office of Program Information and Analysis Services
   Office of Evaluation

7. Bureau for Program and Management Services (4)

   Office of Management Planning
   Office of Management Operations
   Office of Contract Management
   Office of Commodity Management

8. Bureau for Private and Voluntary Cooperation (6)

   Office of Program and Management Support
   Office of American Schools and Hospitals Abroad
   Office of Reimbursable Development Programs
   Office of Private and Voluntary Cooperation
   Office of Food for Peace
   Office of U.S. Foreign Disaster Assistance

9. Bureau for Development Support (6)

Office of the Assistant Administrator
Office of Program
Office of Agriculture
Office of the Deputy AA for Development Technology
Office of Population
Office of International Training

MISSION REPRESENTATIVES n=12

1. Bureau for Latin American and the Caribbean (1)

Panama

2. Bureau for Africa (7)

Liberia--2
Upper Volta
Chad
Kenya
OSARAC
REDSO/EA

3. Bureau for Asia (2)

Philippines--2

4. Bureau for Near East (2)

Syria
Egypt

Total=70

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in the project approval, ABS and CP processes. This approach resulted in the collection of time distribution estimates from all office-level organizational units in each regional Bureau and from selected office-level organizational units in 9 of the 14 central Bureaus and offices. The following AID/W central Bureaus were not included in the sample:

- Office of the Administrator/AID
- Office of the Executive Secretary
- Office of Public Affairs
- Office of Personnel and Training
- Office of Equal Opportunity Programs.

These central Bureaus provide services which support all Agency functions and do not have the same level of direct involvement in project development and budgeting as the central Bureaus included in the sample. (Although their level of effort is not reflected in person-years, the costs for these central support Bureaus are included as an overhead allocation.)

The data collection strategy included the following components:

- One key respondent was identified for a face-to-face interview with a Booz, Allen team member. The respondent was most frequently the director of the office, but a deputy director or the director's designated representative was sometimes chosen as the respondent to facilitate data collection within the constrained time requirements.

- The respondent was asked to estimated the percent of staff time his or her entire office (professional and clerical) devoted during the most recent or most typical year to the project development, ABS and CP processes.

- Respondents were permitted to ask other members of their office to contribute to the time estimating effort:

  - Many respondents received a copy of the time distribution questionnaire prior to the interview and were able to obtain observations from their colleagues prior to the Booz, Allen interview.

- Some respondents invited colleagues to join the Booz, Allen interview.

- In some cases, the interview guide was reviewed with the respondent and left with him or her to complete in collaboration with colleagues before returning it to the Booz, Allen study team.

Each respondent's estimates were used as the best estimate of his or her office's percent of time contributed to the Agency's Project Assistance Cycle. A copy of the interview guide used in discussions with Agency personnel is presented as an attachment to this appendix.

2. DATA FROM OVERSEAS ORGANIZATIONS

Two cables were sent to all Agency overseas organizations on List P requesting person-months associated with the project development, ABS and Congressional Presentation cycles. Of the total of 71 organizations, 51 (or 72 percent) provided person-months estimates in sufficient time to be included in this data collection effort. The 51 cable responses are distributed among the geographic Bureaus as follows:

- Bureau for Africa 19 (63 percent response rate)

- Bureau for Latin American and the Caribbean 17 (85 percent response rate)

- Bureau for Asia 8 (89 percent response rate)

- Bureau for the Near East 7 (64 percent response rate)

The cable responses were used as the best estimates of field mission time devoted to the study processes. Interviews conducted with mission returnees not stationed in Washington were used as qualitative background on field mission tasks related to these processes but were not used as time distribution estimates.

September 25, 1978

To: AID/W PARTICIPANTS IN THE STUDY

From: Booz, Allen Study Team

Subject: Study of the Agency's Involvement in the Project Planning and Budgeting Development and Review Processes

I. BACKGROUND ON THE STUDY

Booz, Allen and Hamilton, a management consulting firm, is currently under contract with the Agency for International Development (AID) to conduct a study of the Agency's involvement in the project planning and budgeting processes. The purpose of the study is to estimate the level of effort devoted to these processes as the basis for determining the capacity of the Agency to administer a significantly larger program.

The specific objective of the study component in which your participation is requested is to cost out the project and budget development and review processes. The project and budget processes are defined for the purposes of this study as the sequence of tasks or steps involved in the development, review and approval of the following four documents:

- Country Development Strategy Statement (CDSS)
- Project Identification Documents/Project Proposals (PIDs/PPs)
- Annual Budget Submission (ABS)
- Congressional Presentation (CP).

To achieve this objective, data is being collected on each organizational unit's percent of time devoted to these projects in a typical year. In addition, information is being sought on the:

- Typical sequence of tasks or steps involved in completing the project planning and budgeting processes, and the length of time required to complete each task or step

Types of projects which deviate from the typical time required to complete the processes.

II. YOUR ROLE IN THE STUDY

Representatives from each office in AID/W Regional and Central Bureaus, as well as representatives from a selected number of field Missions, are asked to participate in this study. Several persons in each organizational unit are included in the study to ensure that there is complete information on each organizational unit's percent of time and perspective on these key AID processes.

You have been selected either as one of the representatives from an organizational unit (such as the AFR/Office of Development Planning or the Sri Lanka desk) or as a representative of a field Mission. The representatives of field Missions were selected from lists of recently returned staff from a field Mission post to an AID/W post. The General Information section on the following page indicates the organizational unit or the field Mission perspective we want you to provide in the data collection process. The representatives from an AID/W organizational unit should answer the following questions in terms of all professional and administrative staff in their unit. The representatives from field Mission should answer the following questions in terms of all AID, local and contractor staff working at the Mission.

AID DATA RECORD

I. GENERAL INFORMATION

1. Name: _____

2. Present Title: _____

3. Present Organizational Unit: _____

4. Organizational Point of View: AID/W Field Mission (Circle One)

II. GENERAL FUNCTIONS OF ORGANIZATIONAL UNIT AND PERCENT OF TIME

The following page presents an illustrative list of the variety of general functions which may be performed by your organizational unit in a typical year. The list includes the four processes which are the focus of this study, the development and review of the:

- CDSS
- PIDs/PPs
- ABS
- CP

(1) Identify those general functions performed by your organizational unit in a typical year, feeling free to cross out inappropriate functions and to add new ones not included on the list.

(2) Estimate the percent of time your organizational unit (not just your own time, but your entire organizational unit's time) devotes to these general functions in a typical year. Work the percentages so that they add up to 100 percent of your unit's time.

UNIT FUNCTIONS	PERCENT OF TIME
1. CDSS Development and Review	_____%
2. Project Identification, Development and Review	_____%
3. Program/Project Budget Development and Review	_____%
4. Preparation of Congressional Presentation	_____%
5. General Administration (housekeeping, personnel)	_____%
6. Program/Project Implementation	_____%
7. Program/Project Monitoring and Evaluation	_____%
8. Operating Expense Budget Development	_____%
9. Operating Expense Budget Management/Audit	_____%
10. Inter-Bureau or Agency Coordination	_____%
11. Public Relations	_____%
12. (other--specify)	_____%
13. (other--specify)	_____%
14. (other--specify)	_____%
15. (other--specify)	_____%
	100 %

III. UNIT TASKS IN THE CDSS PROCESS

ANSWER ONLY IF YOU RESPONDED IN Q.II. THAT ONE OF YOUR ORGANIZATIONAL UNIT'S FUNCTIONS IS CDSS DEVELOPMENT & REVIEW

The following is an illustrative list of the series of tasks or steps your office may perform in the CDSS process.

(1) Identify those tasks or steps performed by your organizational unit in a typical year, feeling free to cross out inappropriate tasks and to add new ones not included on the list.

(2) Estimate the percent of time your organizational unit (not just your time, but your entire organizational unit's time) devotes to these tasks in a typical year. Work the percentages so that they add up to 100 percent of your unit's time denoted to the CDSS process.

	CDSS TASKS	PERCENT OF TIME
1.	Development of Initial Guidance	_____%
2.	Development of Draft CDSS	_____%
3.	Internal Review and Revisions of Draft CDSS	_____%
4.	AID/W Issue Papers on CDSS	_____%
5.	AID/W Review of CDSS	_____%
6.	Preparation/Review/Transmission of CDSS Revision Guidance	_____%
7.	Revision/Review/Resubmission of CDSS	_____%
8.	Review Revised CDSS	_____%
9.	(other--specify)	_____%
10.	(other--specify)	_____%
11.	(other--specify)	_____%
12.	(other--specify)	_____%
		100 %

IV. UNIT TASKS IN THE PID/PP PROCESS

ANSWER ONLY IF YOU RESPONDED IN Q.II. THAT ONE OF YOUR ORGANIZATIONAL UNIT'S FUNCTIONS IS PROJECT IDENTIFICATION, DEVELOPMENT & REVIEW.

The following is an illustrative list of the series of tasks or steps your office may perform in the PID/PP process.

(1) Identify those tasks or steps performed by your organizational unit in a typical year, feeling free to cross out inappropriate tasks and to add new ones not included on the list.

(2) Estimate the percent of time your organizational unit (not just you, but your entire organizational unit's time) devotes to these tasks in a typical year. Work the percentages so that they add up to 100 percent of your unit's time devoted to the PID/PP process.

	PID/PP TASKS	PERCENT OF TIME
1.	Develop Draft PIDs	_____%
2.	Internal Review and Revision of PIDs	_____%
3.	AID/W Issue Papers on PIDs	_____%
4.	AID/W Review of PIDs	_____%
5.	Preparation/Review/Transmission of PID Revision Guidance	_____%
6.	Revision/Review/Resubmission of PIDs	_____%
7.	Review Revised PIDs	_____%
8.	Develop Draft PPs	_____%
9.	Internal Review and Revision of PPs	_____%
10.	AID/W Issue Papers on PPs	_____%
11.	Preparation/Review/Transmission of PP Revision Guidance	_____%
12.	Revision/Review/Resubmission of PPs	_____%
13.	Review Revised PPs	_____%
14.	Development of Clearances and Approvals	_____%
15.	Conduct of Project Agreement Negotiations	_____%
16.	(other--specify)	_____%
17.	(other--specify)	_____%
		100 %

V. UNIT TASKS IN THE ABS PROCESS

ANSWER ONLY IF YOU RESPONDED IN Q.II. THAT ONE OF YOUR ORGANIZATIONAL UNIT'S FUNCTIONS IS PROGRAM/PROJECT BUDGET DEVELOPMENT & REVIEW.

The following is an illustrative list of the series of tasks or steps your office may perform in the ABS process.

(1) Identify those tasks or steps performed by your organizational unit in a typical year, feeling free to cross out inappropriate tasks and to add new ones not included on the list.

(2) Estimate the percent of time your organizational unit (not just you, but your entire organizational unit's time) devotes to these tasks in a typical year. Work with the percentages so that they add up to 100 percent of your unit's time devoted to the ABS process.

	ABS TASKS	PERCENT OF TIME
1.	Development of Initial Guidance	_____%
2.	Develop Draft ABS	_____%
3.	Internal Review and Revision of ABS	_____%
4.	AID/W Issue Papers on ABSs	_____%
5.	AID/W Review of ABSs	_____%
6.	Review Revised ABS	_____%
7.	Develop Final Country Budget	_____%
8.	Consolidation of ABS Submissions	_____%
9.	(other--specify)	_____%
10.	(other--specify)	_____%
11.	(other--specify)	_____%
12.	(other--specify)	_____%
		100 %

VI. UNIT TASKS IN THE CP PROCESS

ANSWER ONLY IF YOU RESPONDED IN Q.II. THAT ONE OF YOUR ORGANIZATIONAL UNIT'S FUNCTIONS IS PREPARATION OF CONGRESSIONAL PRESENTATION

The following is an illustrative list of the series of tasks or steps your office may perform in the Congressional Presentation process.

(1) Identify those tasks or steps performed by your organizational unit in a typical year, feeling free to cross out inappropriate tasks and to add new one not inlcuded on the list.

(2) Estimate the percent of time your organizational unit (not just you, but your entire organizational unit's time) devotes to these tasks in a typical year. Work with the percentages so that they add up to 100 percent of your unit's devoted to the CP process.

	CP TASKS	PERCENT OF TIME
1.	Development of Initial Guidance	____%
2.	Develop Draft CP	____%
3.	Internal Review and Revision of CP	____%
4.	AID/W Review of CPs	____%
5.	AID/W Preparation of CP Material	____%
6.	Writing of CP Document	____%
7.	Publication of CP Document	____%
8.	Provision of Testimony	____%
9.	Editing and Publication of Final CP Document	____%
10.	(other--specify)	____%
11.	(other--specify)	____%
12.	(other--specify)	____%
		100 %

* * * *

AT THIS POINT, YOU MAY WANT TO GO BACK TO YOUR PERCENT OF TIME ESTIMATES IN QUESTION II AND CHECK WHETHER YOUR ORIGINAL ESTIMATES REFLECT ALL THE TASKS YOU HAVE IDENTIFIED IN Q.III-IV. MODIFY YOUR Q.II. ESTIMATES IF NEEDED.

* * * *

VII. SEQUENCE OF STEPS IN PROCESSES AND LENGTH OF TIME TO COMPLETE STEPS

The following is an outline of the sequence of tasks or steps involved in completing the CDSS, PID/PP, ABS and CP process. Shift your perspective from your own organizational unit to the entire sequence of tasks these processes involve from the Mission level to AID/W level.

1) Identify the sequence of tasks involved in the completion of these processes as you understand them. You may use the list of tasks or steps presented in Questions III through VI if they are helpful.

2) Estimate the length of time in weeks or months it takes to complete each task. Your reference can be the length of time you think it took to complete each task during the most recent year.

Sequence of CDSS Tasks	Length of Time
Development of Initial Guidance	
Development of Draft CDSS	
Internal Review and Revisions of Draft CDSS	
AID/W Issue Papers on CDSS	
Preparation/Review/Transmission of CDSS Revision Guidance	
Revision/Review/Resubmission of CDSS	
Review Revised CDSS	
(Other--specify)	
(Other--specify)	
(Other--specify)	
(Other--specify)	

Sequence of PID/PP Tasks	Length of Time
Develop Draft PID	
Internal Review and Revision of PIDs	
AID/W Issue Papers on PIDs	
AID/w Review of PIDs	
Preparation/Review/Transmission of PID Revision Guidance	
Revision/Review/Resubmission of PIDs	
Review Revised PID	
Develop Draft PPs	
Internal Review and Revision of PPs	
AID/W Issue Papers on PPs	
Preparation/Review/Transmission of PP Revision Guidance	
Revision/Review/Resubmission of PPs	
Review Revised PPs	
Development of Clearances and Approvals	
Conduct of Project Agreement Negotiations	
(Other--specify)	
(Other--specify)	

Sequence of ABS Task	Length of Time
Development of Initial Guidance	
Develop Draft ABS	
Internal Review and Revision of ABS	
AID/W Issue Papers on ABSs	
AID/W Review of ABSs	
Review Revised ABS	
Develop Final Country Budget	
Consolidation of ABS Submissions	
(Other--specify)	
(Other--specify)	
(Other--specify)	
(Other--specify)	

Sequence of CP Tasks	Length of Time
Development of Initial Guidance	
Develop Draft CP	
Internal Review and Revision of CP	
AID/W Review of CPs	
AID/W Preparation of CP Material	
Writing of CP Document	
Publication of CP Document	
Provision of Testimony	
Editing and Publication of Final CP Document	
(Other--specify)	
(Other--specify)	
(Other--specify)	

VIII. DEVIATIONS FROM THE TYPICAL PROCESSES

In the previous questions, the focus has been on the tasks, percent of time, sequence of tasks and length of time involved in the typical completion of these processes. The focus shifts in the following questions to the deviations from the typical processes.

(1) Are there any significant deviations between the way your shop or your former Mission carries out these planning and budgeting processes and the way they are done elsewhere?

What is the significance of those differences? For example, do they affect quality or the percent or length of time devoted to these processes?

(2) Are there any factors which interfere with your shop's or your former Mission's carrying out of these planning and budgeting processes?

Do these factors affect the quality or the percent or length of time devoted to these processes?

(3) What, in your view, percentage of projects are substantially changed during the mission and AID/W review cycles?

_____%

What kinds of changes occur? Estimate the kinds of changes made in the projects referred to above by estimating the kinds of changes so they add up to 100%.

_____ % From one development area to another, i.e., from agriculture to health

_____ % From one geographic area to another, i.e., within country or expansion to other countries

_____ % From one life of project (LOP) amount to another, i.e., a significant change in the LOP total

_____ % From one host country agency to another

_____ % From technical assistance project to a commodity procurement project

_____ % From grant to loan financing or vice versa

_____ % From LOP funding to incremental or vice versa

_____ % Change in project components and/or other donor involvement

100 %

(4) Are there any significant differnces in the percent of your shop's or your former Mission's time required in the planning and budgeting processes for projects of the following kind?

- Circle the project type which takes more effort to process
- Then estimate the percent more time staff must devote to that type of project

Over $5.0 Million	_____%	More; VS	Below $5.0 Million	_____%	More
Loans	_____%	More; VS	Grants	_____%	More
Devel. Asst.	_____%	More; VS	SSA	_____%	More
Mission	_____%	More; VS	Central or Regional	_____%	More
Special (FFP)	_____%	More; VS	Bilateral	_____%	More

(5) Are there any additional comments or observations about the planning and budgeting processes you would like to offer?

_____

_____

_____

_____

_____

Interviewer: _____ Date: _____

Observations: _____

_____

_____

APPENDIX C

METHODOLOGY USED FOR CALCULATIONS OF LEVEL OF EFFORT, PERCENT OF TIME, AND COSTS

The time distribution estimates obtained through AID/W interviews and estimates obtained via cable from O/S missions on "List P" were the basis for calculating the level of effort, percent of time, and costs associated with the three phases of the Project Assistance Cycle under study. Individual descriptions of the methods used to calculate each of these three aspects follow.

1. LEVEL OF EFFORT

The calculation of the level of effort in person-years for AID/W offices/Bureaus and O/S missions involved three major steps:

- Conceptually separating the component offices of AID/W bureaus into two categories: offices with direct responsibility for project development, ABS, and CP activities, called "functional" offices, and offices with no or only indirect involvement in these cycles, called "agency support" offices. These latter offices typically had a central support or staff function(s). Some Bureaus were considered to have both functional and support offices. All O/S mission staff were included in the functional category.

- The second major step was to identify the number of staff in the functional and support offices. Exhibit C-1, following this page, identifies by bureau the numbers of these staff. The totals include all FTEPP, RSSA, PASA, PSC, IQC, consultant staff, and foreign nationals. Various documents were used to arrive at staffing levels for the types of staff:

  - FTEPP staff were counted from a September 1978 personnel roster

  - RSSA person-years were counted from a RSSA report from SER/CM

USAID

ORGANIZATIONAL UNIT	STAFF CATEGORY: FUNCTIONAL STAFF	AGENCY SUPPORT STAFF	TOTAL STAFF
AID/W GEOGRAPHIC BUREAUS			
AFRICA	198	0	198
ASIA	118	0	118
NEAR EAST	141	0	141
LATIN AMERICA & CARIBBEAN	156	0	156
TOTAL AID/W GEOGRAPHIC BUREAUS	613	0	613
AID/W CENTRAL BUREAUS			
A/AID + EXEC SEC	0	34	34
EOP	0	14	14
AG	0	96	96
LEG	7	15	22
OPA	0	34	34
GC	57	0	57
OFM	20	183	203
OPT	0	159	159
COMPLEMENT	0	186	186
SER	268	208	476
DSB	623	0	623
PPC	158	0	158
IIA	57	0	57
PDC	125	0	125
TOTAL AID/W CENTRAL BUREAUS	1315	929	2244

MISSIONS	U.S.	FOREIGN	CONTR.	TOTAL		
AFRICA	465	409	387	1261	0	1261
ASIA	284	664	213	1161	0	1161
NEAR EAST	242	341	182	765	0	765
LATIN AMER./CARIB.	349	642	128	1119	0	1119
TOTAL MISSIONS	1340	2056	910	4306	0	4306
TOTAL OTHER OVERSEAS		0			234	234
TOTAL AID/W		1928			929	2857
TOTAL OVERSEAS		4306			234	4540
TOTAL AID		6234			1163	7397

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- PASA positions were counted from a report by SER/CM

- IQC, PSC, and consultant person-years were counted from a report by SER/CM

- Foreign National positions were counted from an August 1978 report from OPT/PPE

The third step was to multiply the number of staff in each AID/W office-level unit within each Bureau by the percent of time reported by that office for each of the functional categories set out in the interview guide. These products represented the number of person-years the office spent on the respective functions. The results by offices were summed to yield the Bureau-level total effort for each function. Mission time was reported via cable for each of the cycles in person-months, which were translated into person-years. The level of effort for non-responding missions (25 percent) was estimated in the same proportions as the reported effort and number of staff in the responding missions.

2. PERCENT OF TIME

The percent of Bureau time was calculated by dividing the sum of the office-level person-years for each cycle by the number of functional staff in the Bureau.

The mission percentages were calculated by dividing the estimated total effort for all missions in each Bureau by the number of mission staff in the bureau. The number of staff used as the divisor was different for the project development cycle than it was for the ABS and CP cycles:

- Project development cycle--Because all types of mission staff (U.S., foreign, and contractor) are involved in project development, and because mission data received via cable included foreign and contractor effort, the divisor used to compute percent of effort in the missions was the total mission staff.

- ABS and CP--Because the ABS and CP are primarily developed overseas by U.S. direct hire (FTEPP) staff, the divisor used to compute percent of effort for the ABS and CP cycles was the number of

U.S. direct hires. Percent-wise, this specification does nothing more than change the frame of reference for calculation; cost-wise, however, it has a significant impact on costs, as discussed in the next section, because of the higher person-year costs for U.S. direct hires relative to foreign nationals.

3. TREATMENT OF COSTS

To determine costs associated with the levels of direct effort for each phase of the project assistance cycle it was necessary to identify the total universe of both operating and program costs for the functional staff within each organizational unit. Included in this cost universe were operating and program dollars associated with:

- U.S. direct hires
- Foreign nationals
- Indefinite Quantity Contracts (IQC's)
- Personal Service Contracts (PSC's)
- Participating Agency Service Agreements (PASA's)
- Research Support Services Agreements (RSSA's).

Exhibit C-2, on the following page is a summary of the operating and program cost breakdowns by organizational unit.

In determining operating costs associated with U.S. direct hires and foreign nationals, the operating expenses for the various organizational units within AID were obtained from the Office of Financial Management aggregated into the categories of:

- Salaries and Benefits
- All Other Costs
- Foreign National Costs
- Totals.

Direct and indirect functional staff costs were apportioned for each organizational unit according to the proportion of functional staff within the unit. The remaining costs were cast into an overhead pool, with the exception of foreign national costs in the overseas missions, which were assigned to the extent they were incurred by each O/S geographical Bureau. The organizational units classified totally as "agency support" were cast into the overhead pool and distributed to each organizational unit in proportion to the functional staff assigned to the unit. Schedule A on the

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OPERATING FUNDS

No. of Functional Staff	Bureau/ Office	Functional Staff Direct Costs	Functional Staff Other Costs	Dist'd. Over-Head	For. Nat'ls.	Operating Total	P/
7	LEG	218.0	67.7	97.4		383.1	
57	GC	1588.0	301.7	793.2		2682.9	
20	OFM (*)	437.2	135.4	278.3		850.9	
268	SER (*)	6370.5	3486.4	3729.4		13586.3	
623	DSB (*)	11917.5	3770.5	8669.5		24357.5	
125	PDC	3522.0	307.0	1739.5		5568.5	
158	PPC (*)	3634.1	401.9	2198.7		6234.7	
57	IIA	1669.6	387.4	793.2		2850.2	
198	AFR	5374.8	1813.2	2755.3		9943.3	2(
141	NE	4057.6	1372.4	1962.1		7392.1	7
118	ASIA	3724.4	898.6	1642.0		6265.0	-
156	LAC	3932.3	1266.7	2170.8		7369.8	-
1928	AID/W	46446.0	14208.9	26829.4		87484.3	3(
465	AFR (*)	13311.0	23824.9	12421.2	2672.3	52229.4	47(
242	NE (*)	8381.0	10093.2	6464.3	3170.2	28108.7	121
284	ASIA (*)	10353.0	11555.9	7586.3	3304.3	32799.5	19(
349	LAC (*)	12818.0	12537.1	9322.5	6351.2	41028.8	18(
1340	O/S	44863.0	58011.1	35794.3	15498.0	154166.4	98(
3268	TOTAL	91309.0	72220.0	62623.7	15498.0	241650.7	101(

*NOTE: Included in Operating Costs are amounts associated with uses of IQC, PSC, PASA, RSSA or consultants as follows ($000):

AID/W:
OFM - 30
SER - 23
DSB - 11
PPC - 4

EXHIBIT C-2
USAID
BREAKDOWN OF OPERATING
AND PROGRAM FUNDS

PROGRAM FUNDS						
PASA	RSSA	IQC	PSC	Program Total	Operating + Program Grand Total	Total $ Per Functional Staff
					383.1	54729
					2682.9	47068
		124.0		124.0	974.9	48745
		11.0		11.0	13597.3	50736
	10843.0	645.0		11488.0	35845.5	57537
	45.0			45.0	5613.5	44908
	1855.0	72.0		1927.0	8161.7	51656
					2850.2	50004
265.0	430.2			695.2	10638.5	53730
76.0	57.2			133.2	7525.3	53371
--	19.2			19.2	6284.2	53256
--	680.2			680.2	8050.0	51603
341.0	13929.8	852.0	--	15122.8	102607.1	53219
781.0		3887.0	2992.0	11660.0	63889.4	137397
212.0		476.0	1668.0	3356.0	31464.7	130019
969.0		234.0	2742.0	4945.0	37744.5	132903
865.0		802.0	2731.0	5398.0	46426.8	133028
827.0	--	5399.0	10133.0	25359.0	179525.4	133974
168.0	13929.8	6251.0	10133.0	40481.8	282132.5	86332

O/S:

305.0	AFR	- 2301.8
231.0	NE	- 749.9
118.0	ASIA	- 811.9
43.0	LAC	- 550.9

following page describes the overhead calculations in more detail. Essentially there were two overhead pools, one for overseas and one for AID/W offices. Each contained a staff - proportionate share of the agency support costs and the Foreign Service Retirement contribution. The overseas pool included, in addition, non-regional expenses spread across the missions.

Having quantified the operating expenses for each organizational unit, there remained the task of identifying those dollars paid out of program funds to other parties which participated to any degree in the project assistance cycle. These parties include PASA's, RSSA's, IQC's and PSC's. Item listings of each of these agreements or contracts for FY1978 were obtained from SER/CM indicating for each of these parties certain classifying data, including:

- Dollar value of contract/agreement
- Region/country of performance
- Appropriation code
- Dates of performance
- Description of work scope.

Through the use of these data items, each organizational unit was assigned its respective dollar amount of PASA/RSSA/IQC/PSC usage. (Detailed back-up data for these costs are contained in Tables 1 through 8 at the end of this appendix.) The addition of these costs to the operating costs thereby defined the total dollar universe of possible sources of input to the project assistance cycle.

To determine by organizational unit the dollar amounts associated with the various cycles of the project assistance cycle the percentage level of effort was multiplied by the operating and program fund grand totals in Exhibit C-2. There were two exceptions to this process. Interviews had disclosed that field mission effort associated with the Annual Budget Submission and the Congressional Presentation was comprised almost exclusively of U.S. direct hire effort. Therefore, rather than calculate the dollar costs in the manner described above, which includes foreign nationals, PSC's and IQC's, these elements were subtracted from total program and operating dollars for each organizational unit.

SCHEDULE A

OVERHEAD CALCULATIONS

Washington Overhead Pool ($000)	
A/AID	1418.0
EOP	407.0
AG	4261.0
LEG	612.3
OPA	1063.0
OFM	5239.4
OPT	6202.0
COMP	5911.0
SER	7650.1
	32763.8

Overseas Overhead Pool ($000)	
Non-Regional	4859.9
For Serv. Retire.	17500.0
Wash. Cent. Contrib.	13434.4
O/S Distributable O/H	35794.3

Washington Overhead Pool ($000)	
Wash. Cent. Contrib.	19329.4
For. Serv. Retire.	7500.0
AID/W Distributable O/H	26829.4

AID/W - 1928 personnel
O/S - 1340 personnel
3268

$\frac{1928}{3268} \cdot 32763.8 = 19329.4$

$\frac{1340}{3268} \cdot 32763.8 = 13434.4$

TOTAL OV.HD. 62623.7

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Dividing the number of U.S. direct hires into the remaining total yielded a cost per person-year for each of the overseas units, which was then multiplied by the field mission person-years to obtain the total mission ABS and CP costs. This represented a more accurate accounting of actual costs for these phases than calculating on the basis of foreign national and contractor participation would have yielded.

TABLE C-1

PSC WORKYEARS BY GEOGRAPHIC BUREAU
AND AID/W (FY 1978)

PROCESS & SOURCE OF FUNDS \ LOCATION	AFRICA	ASIA	LAC	NE	AG	TOTAL
PID						
• Program	27.4	37.0	22.2	19.4	--	106.0
• Operating	6.8	2.6	16.8	3.7	--	29.9
• Total	34.2	39.6	39.0	23.1	--	135.9
PP						
• Program	15.4	7.8	12.0	5.8	--	41.0
• Operating	1.6	--	4.8	--	--	6.4
• Total	17.0	7.8	16.8	5.8	--	47.4
IMPL/OTHER						
• Program	113.9	99.0	108.8	62.3	--	384.0
• Operating	172.7	33.0	38.4	29.9	27.8	301.8
• Total	286.6	132.0	147.2	92.2	27.8	685.8
PID + PP						
• Program	42.8	44.8	34.2	25.2	--	147.0
• Operating	8.4	2.6	21.6	3.7	--	36.3
• Total	51.2	47.4	55.8	28.9	--	183.3
GRAND TOTAL						
• Program	156.7	143.8	143.0	87.5	--	531.0
• Operating	181.1	35.6	60.0	33.6	27.8	338.1
• Total	337.8	179.4	203.0	121.1	27.8	869.1

TABLE C-2

PSC USAGE BY GEOGRAPHIC
BUREAU OR OFFICE
FY 1978 ($000)

LOCATION / PROCESS & SOURCE OF FUNDS	AFRICA	ASIA	LAC	NE	AG	TOTAL
PID						
• Program	524	706	423	370	--	2023
• Operating	79	30	193	42	--	344
• Total	603	736	616	412	--	2367
PP						
• Program	294	147	230	109	--	780
• Operating	18	--	54	--	--	72
• Total	312	147	284	109	--	852
IMPL/OTHER						
• Program	2174	1889	2078	1189	--	7330
• Operating	1990	381	442	345	321	3479
• Total	4164	2270	2520	1534	321	10809
PID + PP						
• Program	818	853	653	479	--	2803
• Operating	97	30	247	42	--	416
• Total	915	883	900	521	--	3219
Grand Total						
• Program	2992	2742	2731	1668	--	10133
• Operating	2087	411	689	387	321	3895
• Total	5079	3153	3420	2055	321	14028

TABLE C-3

IQC WORKYEARS BY GEOGRAPHIC BUREAU
AND AID/W (FY 1978)

LOCATION / PROCESS & SOURCE OF FUNDS	AFRICA	ASIA	LAC	NE	DS	FM	PPC	SER	TOTAL
PID									
• Program	12.9	1.0	3.9	2.0	6.1	--	--	--	25.9
• Operating	0.2	--	--	0.7	--	--	--	--	0.9
• Total	13.1	1.0	3.9	2.7	6.1	--	--	--	26.8
PP									
• Program	17.1	0.4	1.5	1.3	--	--	0.3	--	20.6
• Operating	--	--	0.1	--	--	--	--	--	0.1
• Total	17.1	0.4	1.6	1.3	--	--	0.3	--	20.7
IMPL/OTHER									
• Program	18.6	1.6	4.6	2.6	2.0	1.6	0.6	0.1	31.7
• Operating	0.2	--	0.2	--	--	3.8	0.3	2.9	7.4
• Total	18.8	1.6	4.8	2.6	2.0	5.4	0.9	3.0	39.1
PID + PP									
• Program	30.0	1.4	5.4	3.3	6.1	--	0.3	--	46.5
• Operating	0.2	--	0.1	0.7	--	--	--	--	1.0
• Total	30.2	1.4	5.5	4.0	6.1	--	0.3	--	47.5
GRAND TOTAL									
• Program	48.6	3.0	10.0	5.9	8.1	1.6	0.9	0.1	78.2
• Operating	0.4	--	0.3	0.7	--	3.8	0.3	2.9	8.4
• Total	49.0	3.0	10.3	6.6	8.1	5.4	1.2	3.0	86.6

TABLE C-4

IQC USAGE BY GEOGRAPHIC BUREAU
AND AID/W
FY 1978 ($000)

LOCATION: PROCESS & SOURCE OF FUNDS	GEOGRAPHIC BUREAU				AID/W				TOTAL
	AFRICA	ASIA	LAC	NE	DS	FM	PPC	SER	
PID									
• PROGRAM	1033	78	314	161	485	--	--	--	2071
• OPERATING	14	--	--	59	--	--	--	--	73
• TOTAL	1047	78	314	220	485	--	--	--	2144
PP									
• PROGRAM	1368	32	119	106	--	--	25	--	1650
• OPERATING	--	--	5	--	--	--	--	--	5
• TOTAL	1368	32	124	106	--	--	25	--	1655
IMPL/OTHER									
• PROGRAM	1486	124	369	209	160	124	47	11	2530
• OPERATING	13	--	12	--	--	305	22	231	583
• TOTAL	1499	124	381	209	160	429	69	242	3113
PID + PP									
• PROGRAM	2401	110	433	267	485	--	25	--	3721
• OPERATING	14	--	5	59	--	--	--	--	78
• TOTAL	2415	110	438	326	485	--	25	--	3799
GRAND TOTAL:									
• PROGRAM	3887	234	802	476	645	124	72	11	6251
• OPERATING	27	--	17	59	--	305	22	231	661
• TOTAL	3914	234	819	535	645	429	94	242	6912

TABLE C-5

RSSA USAGE BY AID/W
AND GEOGRAPHIC BUREAU
(FY 1978)

	Program Funds*		
	Est. No. of Positions	Est. No. of W/Y's	Est. No. Of $'s (000)
UNITED STATES			
• PPC	38	38	1855
• DSB	303	241	10843
• PDC	1	1	45
• Bur. Africa	9	7	431
• Bur. Asia	1	1	21
• Bur. LAC	19	11	682
• Bur. NE	2	2	59
TOTAL:	373	301	13936

* With the exception of approximately $7000 operating funds all funding is provided from program funds.

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TABLE C-6

CONSULTANT USAGE BY AID/W OFFICE
AND GEOGRAPHIC MISSION (FY 1978)
(WORKYEARS AND $)

	OPERATING FUNDS*	
LOCATION	Est. No. Workyears	Est. $ (000)
Bur. Africa	.1	5
Bur. Asia	negl.	4
Bur. LAC	--	--
Bur. NE	.6	48
PPC	.3	21
DSB	1.4	118
BIFAD	1.5	127
All Other	.2	20
TOTAL	4.1	343

* All consultants are funded from operating funds.

PASA USAGE BY GEOGRAPHIC MISSION (FY 1978)

	Program Funds			Operating Fund	
	Est.No. Positions	Est.No. W/Y's	Est.No. $ (000)	Est.No. Positions	Est.N W/Y'
AFRICA					
· MISSION	81	63	4781	1	1
· WASH.-BASED	5	4	265	--	--
· TOTAL	86	67	5046	1	1
ASIA					
· MISSION	33	26	1969	--	--
· WASH.-BASED	--	--	--	--	--
· TOTAL	33	26	1969	--	--
LAC					
· MISSION	37	24	1865	1	1
· WASH.-BASED	--	--	--	--	--
· TOTAL	37	24	1865	1	1
NE*					
· MISSION	24	16	1212	2	2
· WASH.-BASED	1	1	76	--	--
· TOTAL	25	17	1288	2	2
TOTAL					
· MISSION	175	129	9827	4	4
· WASH.-BASED	6	5	341	--	--
· TOTAL	181	134	10168	4	4

* Excludes 2052 man-months and $7,000,000 program funds associated

TABLE C-7
OVERVIEW OF PASAs

PASA REVENUES & WORKYEARS BY
GEOGRAPHIC MISSION (FY 1978)

g Funds			Total	
Est.No. W/Y's	Est.No. $ (000)	Est.No. Positions	Est.No. W/Y's	Est.No. $ (000)
1	64	82	64	4845
--	--	5	4	265
1	64	87	68	5110
--	--	33	26	1969
--	--	0	0	0
--	--	33	26	1969
1	28	38	25	1893
--	--	0	0	0
1	28	38	25	1893
2	113	26	18	1325
--	--	1	1	76
2	113	27	19	1401
4	205	179	133	10032
--	--	6	5	341
4	205	185	138	10373

ciated with DOD Hydrographic Survey, Gulf of Suez.

TABLE C-8

MISSION-LEVEL LEVEL OF EFFORT
ASSOCIATED WITH PROJECT DEVELOPMENT

ORG. UNIT	U.S. FTEPP + PASA D.H. Workyears	FOREIGN D.H. Workyears	CONTRACTORS Workyears	TOTAL Workyears
AFRICA	41.9	36.8	81.4	160.1
ASIA	14.2	33.2	48.8	96.2
LAC	27.9	51.4	61.3	140.6
NE	16.9	23.9	32.9	73.7
Geographic Bureau Total	100.9	145.3	224.4	470.6