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**UNITED STATES AGENCY
OF
INTERNATIONAL DEVELOPMENT**

**REPORT OF THE
ADVISORY COMMITTEE ON VOLUNTARY
FOREIGN AID**

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FOREWORD

For several decades the Advisory Committee on Voluntary Foreign Aid has existed side-by-side with those United States government agencies administering foreign assistance. Through changes in names, policies, and development priorities the Committee has offered its advice and counsel on varied aspects of the relationship between government and the independent voluntary sector.

In former times its attention was focused principally on the task of registering voluntary agencies and monitoring their performance. As the Agency for International Development (AID) stepped up its programs involving voluntary agencies--increasing the number and size of grants to voluntary agencies--the complexity of the relationship grew, and the need for impartial counsel escalated.

Statutory changes relieved the Committee of the act of registering voluntary agencies, leaving it with (1) the responsibility for establishing guidelines and criteria which determine eligibility for registration, and (2) an advisory appellate role in the event AID's refusal to register an agency were to be challenged by the applicant. Thus the Committee more recently has been enabled to give its full attention to the policies and processes governing the AID/PVO relationship.

The Committee acknowledges its gratitude to Governor John Gilligan and to Douglas Bennet, Administrators of AID; to

Joseph Wheeler, the Deputy Administrator; to Calvin H. Raullerson, Assistant Administrator of AID, and to Thomas Fox, Director of the Office for Private and Voluntary Corporations. The Community of voluntary agencies and representatives of government agencies provided the lively and well-informed forums for the Committee's meetings. Its Executive Director, John A. Ulin-ski, Jr., guided its course, provided it with information, and made the deliberative process work.

The Committee benefitted extensively from the help of Jef-falyn Johnson and Associates, Inc., in the preparation of this document.

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1979-1980

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INTRODUCTION

This is a report of the Advisory Committee on Voluntary Foreign Aid (Committee) to the Agency for International Development (AID) covering activities during 1979 and 1980. The issues, concerns and results of the meetings and conferences held by the Committee during that period form the basis of this document.

The report begins with a brief description of the evolution of the Advisory Committee. This is followed by a section entitled "The Committee Today." Because the Committee responds to changing issues and conditions within the international development community, its role is an evolving one. This fact is reflected in the diversity of its activities which are discussed in the fourth chapter of this report. The Committee's future directions, which are extensions of past major achievements and based in part on extensive discussions with private and voluntary organizations (PVOs), are discussed in the final section of this report.

EVOLUTION OF THE COMMITTEE

The Advisory Committee for Voluntary Foreign Aid was established in 1946, by Executive Order of President Harry Truman. A product of the War Relief Control Board, it was charged with the registration of private and voluntary agencies involved with international development as a prerequisite to the receipt of Government subventions in the form of food, excess property and reimbursement for the cost of ocean freight shipments. Beyond this, its charter was unwritten, and its role was determined by the Committee itself in cooperation with the various United States governmental foreign assistance agencies. It is referred to in foreign assistance and food legislation and serves as the primary link between the United States Government and American private and voluntary organizations engaged in relief, rehabilitation and development programs overseas.

With the advent of the Federal Advisory Committee Act of October, 1972, and the attendant requirement for a written charter, the Committee's principal functions were: (a) advising and providing information to AID and other United States Governments agencies on matters involving voluntary agencies in overseas programs; and (b) registering voluntary agencies to determine their eligibility for receiving subventions of food, ocean freight, surplus government property and a variety of grants under federal contract or other forms of agreement.

By virtue of its advice and counsel, the Committee has helped shape the direction of governmental programs. Notable among the Committee's contributions is its leadership at several important regional conferences in 1973; its book, Look to the Future; and its pivotal role in the 1974 Development Assistance Policy Conference, with resulting developmental and program grants to voluntary agencies.

At its inception, the major function of the Committee was the registration of voluntary agencies. Historically, it registered a limited number of agencies, most of which sought one form or another of government subvention.

As a result of recommendations in the report of the Senate Appropriation Committee concerning fiscal year 1977 funding, AID put into operation a more rigorous and expanded registration process than had been required previously. Thus, the Committee's workload was increased substantially.

THE COMMITTEE TODAY

More recently, legislation which requires that PVOs receiving AID assistance register with the Committee has been amended. The responsibility for registering voluntary agencies now reposes in AID, while the Committee advises on standards and criteria governing registration, and it offers advice when an agency appeals AID's decision not to register it. As the Committee's role in registration was reduced, its advisory function grew.

In the mid-70's AID's programs involving voluntary agencies grew and changed. Voluntary agencies were recognized to have a major role in development as well as in the humanitarian and relief activities with which they had long been associated. As official foreign assistance was increasingly directed toward meeting basic human needs and since major recipients were to be the rural poor, voluntary agencies were recognized as a most suitable medium for the delivery of such assistance. A variety of grant programs were initiated, and the number of grants, as well as the size of grants grew.

The relationship between voluntary agencies and government which was already difficult at times, grew even more complicated. Government requirements for project design and execution--and particularly for accountability and audit---loomed as barriers to the implementation of the policies they were intended to facilitate. Voluntary agency concern about independence

and association with official foreign policy added to the complexity of the situation. At this point, the Advisory Committee afforded the PVO community and AID the opportunity to air matters in a neutral setting.

The Committee notes the continuing need for greater clarity in understanding and communications between AID and the PVO community. Also, the Committee has determined that the AID/-PVO relationship is constrained by specific problems: clarifying and updating the role at PVOs; cumbersome procedures within AID; the diversity within the PVO community itself; and restrictive legislative policy. The Committee's "Agenda for 1980" sought to address itself to and resolve these difficulties (Appendix I-A). Some gains have been made, but the task is far from complete, and attention will have to be given to these and other issues in the coming years.

In view of the Committee's expanded membership and greater focus on its advisory functions, the Committee believes it is in a position to improve communication and understanding between AID and the PVO community. The Committee senses a need to respond to the tenor of the independent voluntary sector, and to act as an informal observer and interpreter of the concerns which have led to the expanded focus of voluntary agencies on development activities overseas. By virtue of its experience, the Committee is also in a strengthened position to offer counsel on the policies which govern programs involving voluntary organizations.

In addition to its concern with process, the Committee is prepared to play a more active role in the deliberations on key policy issues involving voluntarism and the role of the PVO community. It has an interest in the substance of development, and its series of conferences dealing with food-related matters is an initial step in this direction. Other themes which warrant the attention of the Committee in addition to food, include nutritional factors, population growth, primary health care, resource management, the role of women and educational prospects.

In December, 1978, the Committee's membership was expanded to fifteen, representing a broad spectrum of American society. With its status redefined, the Committee early determined:

1. that it would look at basic development issues affecting AID's work with voluntary agencies;
2. that it would do so in such a manner that it could learn about views concerning these issues;
3. that, as a corollary, the deliberations of the Committee would themselves be an exercise in "development education";
4. that it would not confine itself to the New York-Washington corridor, but would hold its meetings around the country to hear the views of a broad segment of our citizenry, and
5. since process could not be separated from policy, AID's procedures governing its programs with voluntary agencies would be examined as thoroughly as its policies.

What has been labelled "development education" is very much a Committee preoccupation. The respective role of government and voluntary agencies and the relationships between them in programs designed to enhance global awareness requires thoughtful and thorough examination. Several of the Committee's meetings in 1979 and 1980 have approached the topic ("development education" or "global awareness"), but the surface is barely scratched. In addition to considering the subject, "development education," the Committee feels that its very conferences, held throughout the country, and involving the participation of the general public (the people who support voluntary activities, the staff and boards of voluntary agencies, government officials and the Committee itself) are a form of development education. Parenthetically, it is the Committee's view that this device has not been exploited sufficiently.

During the next several years the Committee desires a concentration of its activities on key matters. The plan is to have four meetings a year, tightly organized, country-wide as well as in Washington, and addressed to the pivotal issues of development affecting PVOs.

REVIEW OF 1979 & 1980 ACTIVITIES

In 1979 and 1980 the Committee organized eight meetings and development conferences which served as a forum for public expression of development concerns and as a mechanism for AID/PVO communication. With the conference/meeting format as its modus operandi, the Committee completed three major tasks which have led to intensifying public, private and government commitment to alleviating world hunger and poverty.

The development of a following of prominent development specialists and other leaders is one of the major achievements of the Committee. During the conference proceedings ideas and experiences were shared and collaborative efforts on development matters were encouraged. In addition to development specialists and leaders, the Committee also attracted to its program hundreds of people representing various interests in foreign aid. Represented at the conferences were: local concerned citizens, major international food producers, food research groups, government agencies, legislative initiative groups, educational institutions, and private and voluntary organizations.

The second achievement is in the involvement of newly established small and minority PVOs in AID programs. Specifically, an entire meeting was devoted to measures which would enable newcomers to participate in AID-financed overseas

programs (Appendix I-B). Increasing numbers of smaller and newer agencies are represented at Advisory Committee meetings.

The third achievement is the initiation of an AID/PVO discussion of relationship concerns, common goals, and varying views about international development ideas. The use of a conference format has allowed the Committee to hear divergent views, to examine and suggest ways to remove barriers to the AID/PVO partnership. Through its leadership role in the management of these meetings, the credibility and impartiality of the Committee have become widely recognized.

Procedural Issues

For the purpose of this report, procedural and substantive issues have been discussed in isolation; however, process and substance, in actuality, cannot be divorced. In development affairs process impacts on all substantive and policy matters and continues to surface throughout the development process.

Early in 1979, Congress requested that the President review the relationships between AID and voluntary agencies and consider the establishment of a unit within the International Development Cooperation Agency (IDCA) to provide support functions for the development-related activities of private and voluntary organizations. To assist the Executive Branch in responding to the Congressional Directive, the Committee devoted its meeting in Tarrytown, New York, on September 16-17,

1979, to an exploration of the relationship between AID and PVOs, its tension points, and varied approaches to problem resolution (Appendix I-A).

The Tarrytown meeting offered the Committee an unprecedented opportunity to examine ways in which AID and PVOs perceive each other, and the problems that continue to disturb their partnership. The following problems were identified:

1. differences in perception and inadequate communication;
2. philosophic differences;
3. difficulties arising from opposing structural and organizational frameworks;
4. functional policy differences;
5. lack of agreement about development education roles, and
6. confusion about congressional policies and attitudes.

The central issues are important and complex, requiring continued study and analysis. (For additional information the reader is referred to "The Agenda for Action--1980," Appendix I-A).

Resolution of the AID/PVO differences, identified at Tarrytown, was the purpose of two later meetings held in Washington, D.C., March 24-25, 1980, and June 24-25, 1980 (Appendices I-C and I-D). At the March 24th meeting, the Committee suggested ways to reduce difficulties encountered by PVOs during the AID pre-qualification and grant submission

processes. The Committee made recommendations which can be found in their entirety in Appendix III. The June 24th meeting was devoted to examining matters that arise after a grant has been made. Auditing, evaluation, reporting, and monitoring processes were discussed. Particular concern was expressed about the auditing of off-shore subgrantees. Recognizing the delicacy of the relationship between the American voluntary organization and its overseas counterparts, the Committee urged AID to provide the broadest latitude possible to organizations affected by this situation. A summary of this meeting is in Appendix I-D.

The Committee's March 24th recommendations resulted in an official response from AID which can be found in Appendix IV. The response, presented at the June 24th meeting, defines the complexities involved in adapting certain operational aspects of official foreign aid to private development assistance. AID felt, however, that some of the Committee's recommendations could be dealt with handily.

One consideration is whether PVOs are to serve as mere channels for AID's programs or are to retain their own identity, style, and special characteristics. As a result of extensive deliberation, there is consensus that AID's grants to PVOs were intended primarily to support PVO activities consistent with development priorities set forth in the Foreign Assistance Act. The Committee recognizes the problems and

benefits associated with the shift in PVO program emphasis from traditional relief activities to a development strategy which responds to basic human needs. This transition will take time and require the sympathetic support and understanding of AID officials.

AID's response acknowledges the strengths of the AID/PVO relationship. PVOs are effective in reaching the rural poor, who are the target of AID's foreign assistance programs. In general, a dollar spent by AID in support of a PVO project will have more direct impact on recipients than a dollar spent through regular bilateral channels because (a) average PVO administrative expenses are lower than those incurred by contractors, thereby allowing more money to reach intended recipients; (b) PVOs usually work in direct contact with recipients, generally institutionalizing the program through community groups, and (c) PVOs provide funds they raise for support of AID-financed projects, thus leveraging AID funds.

The channeling of AID support to PVO programs, however, diverts funds from regular AID bilateral programs which are and must remain the cornerstone of United States Government foreign assistance. PVO programs are generally small in scale and localized in impact, resulting in a loss of economy of scale, which can best be realized through national or regional planning, and while AID can establish general criteria for PVO funding, it cannot completely target PVO funding to support specific priorities.

The rationale, however, in support of PVOs is that PVOs do generally accomplish the broad legislatively mandated goals that AID is required to pursue. Additionally, to the extent that PVOs assume responsibility for major segments of development programs, AID is relieved of personnel and administrative demands. Further, although often localized, many of the PVO development activities can and do get replicated.

It is the Committee's view that if AID were to concentrate more on post-project evaluation rather than pre-project design and implementation, it could result in a personnel savings. The Committee also suggested that PVOs can identify and design projects and therefore can substitute for AID direct-hire personnel engaged in these activities. Such a substitution, it was felt, can alleviate AID personnel requirements for increased program levels and meet AID's avowed goal of "more with less." However, the Committee recognizes that the question of the loss of control by AID over funds appropriated to it is difficult.

Among additional procedural questions was the issue of encouraging the involvement of small, new and minority PVOs in foreign assistance (Appendix II-B). As a follow up to the discussion, a task force of voluntary agencies was established and directed to develop recommendations for cooperative efforts among AID, established PVOs, and small, new and minority PVOs. The task force also addressed government and AID/PVO procedures

which can be used to strengthen and encourage new voluntary agencies. The recommendations dealt with:

1. increased funding to all PVOs;
2. AID's response time and accessibility;
3. the availability of funds;
4. facilitating travel to Committee meetings and conferences for smaller PVOs;
5. granting funds to established PVOs for sub-granting to new PVOs, and
6. policies and criteria related to communities and programs eligible for development assistance.

Since, as the Committee explained, its work is limited by federal statutes to counselor and advocacy roles, it urged AID staff to assist the minority voluntary agencies in creating a viable consortium. It also recommended that a positive view be taken toward increasing the participation of such small, new and minority voluntary organizations in overseas development.

Substantive Issues

One of the Committee's achievements is the increase in attention given to substantive development issues. By providing the occasion for airing development concerns, and by involving development specialists and others in an analysis of those issues, the Committee has advanced the development of a knowledge base of policies and techniques to enhance economic and social progress.

The Committee considered a full gamut of development issues. After consulting with voluntary agencies and government officials, the Committee determined that a major critical problem was food adequacy. As a result, conference discussions addressed the following subjects:

1. PVOs and food production
2. Women and food production in less developed countries (LDCs)
3. Food self-sufficiency in less developed countries (LDCs)
4. Reactions to the Report of the Presidential Commission on World Hunger
5. Public Law 480 Legislation
6. Establishment of a comprehensive development education program

Although a discussion of each topic follows, the reader is referred to Appendices I-A through II-G for summaries of conference proceedings.

PVOs and Food Production

It is the view of the Committee that voluntary agencies can play a critical role in many of the essential inputs in improving food production. They can communicate directly and effectively with rural families and can achieve strong personal involvement with indigeneous people in improving agricultural output and better utilization of food. They are especially effective in promoting community participation, thus assuring attention to local culture and tradition.

In encouraging PVOs to engage in food production programs, donor agencies should be mindful of the value of preserving PVO autonomy as well as cementing PVO relationships with donor and host country agencies.

Food production programs encompass much more than the preparation and tilling of soil and harvesting produce. Voluntary agencies are pursuing and are encouraged to examine the role of adult literacy programs, credit and marketing cooperatives, the provision of draft animals, irrigation and water-projects and a wide variety of other efforts relating to food production.

Earlier PVO goals in food production have tended to be short-term rather than the long-term goals required to increase acreage yields, improve land fertility and develop market systems. Today PVOs sense a need for development focused on long-term goals that will remove obstacles to food production and increase the capacity of LDCs to produce and distribute their own food (Appendix II-E).

Women and Food Production in LDCs

The relationship between women and food production in LDCs was the focus of a series of discussions. An outcome of these discussions was a consensus that development programs, policies, and activities be designed in the context of the family and society. Since in many LDCs, women provide the agricultural labor, host country women should have a voice in

the process of setting priorities and in the selection of programs, while PVOs provide financial, technological and technical assistance. More consistent attention should be given to standards required by the Percy Amendment to the Foreign Assistance Act:

In recognition of the fact that women in developing countries play a significant role in economic production, family support and, the overall development process, United States aid shall be administered so as to give particular attention to those programs, projects and activities which tend to integrate women into the national economies of the developing countries, thus improving their status and assisting the total development effort. (Sec. 113.)

Food Self-sufficiency

Although increased food production in LDCs tends to be the highest priority in development assistance, some environmental and social factors can impede efforts to increase food production. Development specialists recognize three impediments which are decreasing forests, natural disasters, and the disproportionate ratio between water and food availability and population consumption and growth. (See Joseph Wheeler's presentation in Appendix II-G.)

The ability of LDCs to produce food is greater than their ability to pay for food. Although divergent views exist on how to implement it, a world food fund is needed to stabilize food cost fluctuations for LDCs. One view holds that an international system of nationally held grain reserves should be

established. Another view holds that an international system of cash reserves, providing flexibility to move foods where and when needed, should be established.

Food management in the host countries can be a problem of post-production losses. PVOs can help reduce post-production losses through training and demonstrations, particularly at the grassroots level, through helping in the development of food storage programs and by sharing information and encouraging collaboration among agencies to develop the necessary technology.

Along with the problems of LDC food production and storage is the problem of improving nutrition. Experience in LDCs indicates that increased food production does not lead necessarily to improved nutrition. Conversely, nutrition can be improved for individual family members without improved food production. In children, nutritional status depends as much on eating practices, frequency of infection, hygiene and care, and the way food is distributed and used within the family as on the total amount of food available. An overall program improvement can be made through participatory nutrition educational activities involving local policy-makers, and others, regarding the role, the work and importance of PVOs in development. In fact, policy-makers are encouraging the use of

PVOs in development. In view of this trend, questions were posed to the Committee which will have to be answered in the future. They are:

1. "Where do the PVOs fit into this version of operating the development process?"
2. "If the policy-makers and other external forces studying the issue believe in expanding the role of PVOs, then to what extent?"
3. "Will PVOs assume an expanded role in policy information with the governments of least-developed countries?"

In response to the Presidential Commission's statements regarding international commitment to alleviate world hunger, representatives of some voluntary agencies undertook the task of developing ways to harness positive feelings about alleviating hunger and developing an educational mechanism which will be effective in advancing the work of the Committee and of PVOs in development.

Commission Report: Public Law 480 Legislation

Public Law 480 Legislation is an issue specifically discussed by the Presidential Commission on World Hunger. Public Law 480, the Food for Peace Program, authorizes AID to use United States surplus agricultural production for urgent humanitarian purposes. A number of recommendations in the Commission's Report call for a virtual rewrite of the P.L. 480 Legislation. Because of the number of recommendations and the

significance of the legislation, it will be necessary to subject the specific P.L. 480 recommendations to considerable technical analysis.

Development Education

Among other major concerns aired by voluntary agencies and AID is the need for development education in the United States. Although the need for development education exists, so do the difficulties such as:

1. the formulation of a consensual definition;
2. the designation of a leader to administer the program and a catalyst to assure its optimum impact on the public;
3. its on-going funding and other financial resources;
4. its content and scope vis-a-vis AID policy and the diversity of PVO approaches to development assistance;
5. collaborative and organizational mechanisms for implementation;
6. the role of government policy.

Although voluntary agencies, AID, governmental and other development specialists agree on the need for the education of the public about development, consensus is difficult.

The Biden-Pell Amendment to the Foreign Assistance Bill of 1981 represents government's recognition of the need for increased public awareness of development matters. The Amendment encourages the International Development Cooperation Agency (IDCA) to promote public discussions on issues related to world hunger and urges AID to provide for advocacy and promotion of public awareness.

Accordingly, the Advisory Committee has considered various mechanisms by which PVOs can air their views on the meaning and scope of development education. One mechanism is the conference format organized by the Committee. Another mechanism is the PVO survey conducted by the Committee and analyzed by Janet C. Tuthill and Marina Fanning-Firfer, reported in Development Education and the U.S. PVO Community: A Focus on the Issues.¹

PVOs were asked to respond to the question, "What is development education?" While the largest number of PVOs (53 percent) define it as educating their constituencies about Third World Development, a smaller number (34 percent) link development education to constituency building, fundraising, and self-help education in developing countries. The smallest number of PVOs (13 percent) continue to discuss the issue or have abandoned efforts to establish one definition.² Tuthill and Fanning-Firfer conclude that:

A large number of U.S. PVOs see development education as a special activity which is needed to inform the public about Third World realities. However... most PVOs view their constituencies rather than the broader public as the ultimate target of their development education efforts, except to the extent that development education activities are perceived to offer a vehicle for expanding constituent bases. For most PVOs, development education is further defined as separate from constituency building strictly for fundraising.³

Throughout Committee conferences, and other media for discussions about PVO roles in development, the PVO community

has been lauded for its diversity and independence. However, a side-effect of PVO diversity is the apparent impediment to consensus and collaborative efforts regarding development education.

Irene Pinkau developed a Working Paper entitled "...Understanding Our Role in the World" in which concepts, program priorities and strategy considerations for global education are discussed.⁴ The Working Paper calls for collaboration and common vision within the diverse PVO community as well as among PVOs, government, and the general public. "A joint work process," such as that proposed by Pinkau, (1) "builds upon the diversity of the private sector, its experiences, public outreach and local community bases," and (2) it postulates that broad, global education process is "action-oriented and participatory," and therefore, "requires a pluralistic approach, collaboration, a common vision, and the pooling of resources of both the private sector and government."⁵

Other suggestions for increasing community involvement in education about Third World Development have been made to the Committee. They are discussed extensively in the Los Angeles Conference Report, Appendix II-G.

Although Committee conferences have provided an effective channel for discussions about development education, the discussions have only scratched the surface of complex issues comprising the implementation of a large-scale development

education program. PVOs and the Committee continue to appeal for increased public involvement in Committee conferences and public advocacy of development matters. The Committee devoted its December, 1980, meeting to development initiatives and processes. It is strongly believed that the scope of development awareness and advocacy in the United States is inadequate. Further discussion and extensive planning on development education are needed.

Reaction to the Report of the Presidential Commission Report on World Hunger

The Committee observed that central to the Commission's recommendations is the philosophy that alliances should be strengthened between PVOs and U.S. Government agencies. Due to PVOs' proximity to host country peoples and to their flexibility and diversity of design, close ties between PVOs and Government are mutually beneficial. Accordingly, the Committee suggested that the Government use PVOs in public education programs, and encourage, governmentally, the trend among PVOs to undertake comprehensive, integrated development projects, instead of hunger/relief projects.

As a result of its strong endorsement of the Commission's recommendations, the Committee directed a letter to the President, calling for strengthening Government's commitment to and immediate actions on developing "affirmative and daring new approaches to the solution of the world hunger problem" (Appendix VII).

In urging Government escalation of the war on world hunger and poverty, the Committee invited the President to "issue a positive challenge" that will activate a "broad-scale attack on multiple fronts." The Committee's suggested actions emanate from major concerns aired at Committee conferences. The actions are:

1. improve nutrition in LDCs;
2. encourage and facilitate food self-sufficiency in LDCs;
3. gear food production plans and policies to export opportunities and emergency relief needs abroad;
4. accelerate the transfer of appropriate food production technology to LDCs;
5. supply and/or assist in the construction of appropriate food storage technology in LDCs.
6. increase food reserves in LDCs;
7. develop mechanisms for nutrition surveillance, especially of children and women in the child-bearing period to identify problems early and provide appropriate supplementation;
8. endorse the use of PVOs as a medium of communication with indigenous people and as an effective mechanism to development education, particularly in the United States;
9. prevail upon AID administration, Congress and the public to give increased attention to the Commission's report.

FUTURE DIRECTIONS

The Committee's role is not permanently fixed. As countries evolve along various points in the development continuum, as political unrest and as natural disasters force a change of priorities on the part of the U.S. development assistance policy, Committee activities can and will respond to those changes. The Committee's structural flexibility allows for this type of response.

Following is a discussion of future directions as they relate to a clarification of major Committee roles:

As advisor/counselor, the Committee should assume a continuing, but impartial, role as mediator, advisor, and counselor to AID and the PVO community. The Committee can serve as the major vehicle for AID/PVO discussions of relationship difficulties as well as of mutual goals and priorities related to development assistance.

As communicator, the Committee should play an advisory/advocacy role to government through AID, articulating public commitment to international development. Additionally, the Committee should seek to help in developing consensus within the diverse PVO community.

As initiator, the Committee should initiate and encourage, instead of react to, dialogue or discussions which pertain to cooperative efforts between AID and PVOs in development education and in foreign aid.

As a contact point with private industry and commerce, the committee should act to get their involvement in meeting the developmental needs of developing countries.

As convener, the Committee should continue to promote larger and diverse community involvement. It should plan and advance activities to enable community organizations, which are not normally in the foreign affairs arena (such as community-based minority and women's groups, medical and educational groups, the Kiwanis club, etc.) to become involved.

Consistent with the Committee's restructured role, new members should be selected to assure a geographically and ethnically diverse representation. The Committee should continue to include individuals who can represent discrete points of view, including:

1. the philanthropic community;
2. the independent voluntary sector (for example, people who have dealt with or are actively dealing with the PVO community but who would not normally represent specific PVOs;
3. the community of people who have recent field experience working with host country local community, and counterpart groups;
4. individuals whose primary experience has been with domestic poverty programs and who have relevant domestic experience; and
5. representatives of business and industry.

It is expected that members will be able to commit a certain amount of time to development education and to working with local organizations.

In order to play a more vigorous role as a link between the private voluntary sector and public groups involved with the process of policy and program formulation, the Committee recognizes that it will need better operating procedures and additional resources. In order to process, as well as channel information between AID and PVOs, the Committee will need to continue to collect and analyze information about the AID/PVO relationship. An improvement in the information delivery system will enhance the Committee's counseling, advisory and evaluation capabilities.

The Committee should continue to emphasize the need to engage AID and the PVO community in an expanded and a responsible dialogue. For example, meetings of the Committee should also involve active participation of the AID Administrator, the Deputy Administrator, Regional Bureaus and other offices which deal with PVOs. This is consistent with legislation designed to elevate PVO concerns within AID. The Committee should continue to review its own policies.

The Committee believes that its responsibilities are (1) to foster public interest in the field of foreign assistance and the activities of PVOs, and (2) to strengthen public support for and citizen participation in the enterprise of development. With additional resources for staff work and coordination capability, the Committee looks forward to discharging its responsibilities more effectively in the future.

ENDNOTES

¹Janet C. Tuthill and Marina Fanning-Firfer, Development Education and the U.S. PVO Community: A Focus on the Issues, Inter-American Development Institute, Washington, D.C., 1980.

²Ibid. pp. 6-7.

³Ibid. p.8.

⁴Irene Pinkau, Understanding Our Role in the World, A Working Paper on Private Sector Initiatives and Processes, AID, Washington, D.C., and Charles F. Kettering Foundation, Dayton, Ohio, 1980.

⁵Irene Pinkau, Toward a Worldminded Citizenry, An Outline for a Joint Work Process for Private Sector Collaboration, Office of Private and Voluntary Cooperation Bureau of Private Development Cooperation, AID, Washington, D.C., and Charles F. Kettering Foundation, Ohio, 1980.

APPENDIX I

REPORTS OF PROCEDURAL MEETINGS

APPENDIX A

TARRYTOWN, NEW YORK: SEPTEMBER 17-18, 1979

The first Advisory Committee on procedural matters was held at the Executive Conference Center in Tarrytown, New York. More than a hundred participants, representing AID, voluntary agencies and other organizations, attended this conference.

Earlier in 1979, Congress requested that the President review various relationships between AID and voluntary agencies. It also requested that the President consider the establishment of a unit within the International Development Cooperation Agency (IDCA) to provide support functions for the development-related activities of private and voluntary organizations. To assist the Executive Branch in responding to the Congressional directive, the Committee devoted its meeting at Tarrytown to an exploration of the relationship between AID and PVOs, its tension points, and the resolution of problems impairing the relationship.

The September 17-18, 1979 meeting in Tarrytown offered the Advisory Committee an unprecedented opportunity to examine ways in which AID and PVOs perceive each other, and the problems that continue to disturb their partnership. The issues at stake are important and complex requiring continued study and analysis.

The Committee supports fully Congressional encouragement of AID to involve the PVOs in a process for finding organizational and other means to strengthen their partnership. It also sees that process as central to its own mission, and is committed to contribute to it as an active intermediary and advocate of the mutual interests of both parties in the relationship.

Following on the recommendation in its statement to the AID Administrator that "further analysis of the prevailing problems with the existing structure," and "a fresh look at the advantages of establishing an International Development Institute with IDCA" should be considered, the Committee adopted the Agenda for Action - 1980 set forth as a framework to guide its work during the 1980's. The Committee invited AID and the PVO community to join in a collaborative effort to work actively with the Committee toward a resolution to the problems that remain.

THE AGENDA FOR ACTION - 1980

I. Problems of Perception and Communication

- A. How can both parties to the AID/PVO relationship come to a better understanding of each other's needs and expectations, and thereby accommodate more constructively the differences between them?
- B. What alternatives are available for clarifying policies and procedures and exchanging information between AID and PVOs?

II. Problems of Philosophical Differences

- A. While recognizing the inevitable and healthy differences between AID and PVOs concerning approaches to development, are there not ways in which the potential for complementarity between their respective programs can be realized and appreciated more fully?
- B. Is a different government posture, with respect to PVOs, called for so that public funds for humanitarian assistance can be segregated from those allocated according to geopolitical constraints?

III. Problems of Structure -- Organization in AID

- A. Should support for PVO activities overseas be identified in an explicit line item in the annual foreign aid appropriation?
- B. Are there other ways to ensure core support, for development activities of PVOs, that are less constrained than current mechanisms for funding (e.g., the 36-month limit on Development Program grants)?
- C. How can the confusion and delays, resulting from the multiplicity of offices within AID with which PVOs must deal, be reduced?
- D. Should there be a Bureau in AID, or a new unit in IDCA, which bears sole responsibility for developing and sustaining the relationship between the federal government and the PVO community?
- E. What can be done to reduce the ambiguity concerning relationships between and among AID, PVOs, and organizations overseas that are affiliates of U.S. PVOs and which receive AID funding through them?

IV. Problems of Structure -- Organization of PVOs

- A. Given the rich diversity within the PVO community, would categorization assist AID in developing a better means of supporting them? Would this categorization of PVOs take into account the distinctiveness of each category?
- B. Should more consortia of PVOs be encouraged as a means of supporting new and small PVOs, and of reducing administrative work for all?
- C. What are the optimum levels of government funding for PVOs that will enable them to do what they want to do,

while still retaining their independent and private nature?

- D. How can relationships between U.S. PVOs and indigenous sub-grantees be improved, particularly with respect to the often sensitive issue of auditing?
- E. Can PVOs and AID work together, perhaps in collaboration with the Comptroller General and AID's Auditor General, to reduce current auditing requirements while maintaining procedures to ensure proper accountability?
- F. Are there useful ways in which AID can work with PVOs in their efforts to develop and exchange information about evaluation procedures?

V. Functional Problems

- A. How can AID and PVOs work together to streamline procedures for approval and monitoring of grants to PVOs so that each side can modify them, with respect to its own constraints? And can the high costs to PVOs be reduced?
- B. Would an evaluation of the relative experience of various PVOs, with respect to matching grants, DPGs, and OPGs, offer ideas for improved mechanisms for funding?
- C. What are the relative advantages and disadvantages for PVOs, in focussing government support in a single unit in Washington, versus enabling PVOs to negotiate directly for funds with AID missions overseas?
- D. How can the current delays, in the grant approval process within AID, be reduced so that PVOs can continue to offer flexible responses to local initiatives overseas?
- E. Is there really a dilemma of PVO independence vs. accountability? If so, can it be resolved?
- F. How can PVOs be encouraged to develop among themselves and in concert with AID, principles and standards that, could guide their activities, strengthen their capacity to perform effectively overseas, and thereby make it possible for AID to grant them greater independence in their planning, implementation, and evaluation of development programs?

VI. Development Education

- A. How and by whom can greater public understanding of and political support for a national commitment to development be encouraged?
- B. How can the job of educating AID, Congress, and the Public about the importance of the partnership for development between the U.S. Government and the PVO community be performed more effectively?
- C. How can the Advisory Committee encourage Congress to relax its restrictions, on AID, PVOs, and the Committee, which curtail their ability to engage in development education efforts?

VII. Congressional Policy and Attitudes:

How can Congress be persuaded to adopt less restrictive language in its legislative policies, thereby allowing greater freedom of action to AID in its partnership with PVOs?

APPENDIX B

SAN ANTONIO, TEXAS: NOVEMBER 27, 1979

The Advisory Committee on Voluntary Foreign Aid held its second meeting on procedural matters at the El Tropicano Hotel in San Antonio, Texas.

The purpose of this conference was to discuss the status of small, new and minority private voluntary organizations. The establishment of an ad hoc committee to draw up recommendations for the Advisory Committee was a direct result of this meeting.

The ad hoc Committee convened on November 28th, and presented its recommendations to the Advisory Committee:

1. The PVOs endorse the statement of Dr. Joe Bernal, representing the views of the Southwest consortium, and urge that the Advisory Committee study it closely and respond within a reasonable period of time.
2. That funds available for PVOs be substantially increased and that there be intentionality and clarity in determining the amount of increase. This applies across the board to all Bureaus.
3. That the problems of access and response time, critical to small, new and minority PVOs, be examined and that thought be given to establishing an ombudsman, either within or outside of AID, for this purpose. Some PVOs were especially concerned that there be a mechanism to facilitate decisions on project proposals pigeonholed at the mission level.
4. That the PDC Bureau proceed to make available discretionary funds to small, new and minority PVOs for private development efforts as described by the Assistant Administrator.

5. That the Advisory Committee sponsor and facilitate travel to conferences and workshops for and by PVOs, to facilitate the development of an agenda structured by the PVOs, to share experiences and learnings. (An example would be "How to Lobby Congress.") That PVOs recognize our responsibility to do what we can, ourselves, to achieve the twin goals of increased funding and expertise.
6. That AID establish a mechanism that will enable established PVOs to receive funds for the purpose of sub-granting to minority and other PVOs getting started in overseas development.
7. That with respect to the Latin American Bureau, in particular, there be a re-evaluation of policy and criteria regarding communities eligible for development assistance. Unless this occurs, PVO participation in the region will remain severely constrained.

The San Antonio ad hoc committee recommendations were studied by the Committee who responded that the Committee's role is limited, by Federal statutes, to counselor and advocacy functions. The Committee also pointed out that since the thrust of the ad hoc committee recommendations relate to funding and policy matters, they go beyond the limitations established by Federal Statutes. Subsequently, the Committee urged AID staff to assist the San Antonio group to create a workable plan for a consortium.

APPENDIX C

WASHINGTON, D.C.: MARCH 24-25, 1980

The Advisory Committee on Voluntary Foreign Aid held its third meeting on procedural matters in order to discuss ways to resolve problems in the relationship between the AID and voluntary agencies. It focussed specifically on those problems encountered by PVOs during the AID grant pre-qualification and submission processes. At a subsequent meeting, on June 24-25, 1980, the Committee will examine matters that arise after the grant contract has been enacted. Auditing, evaluations, reporting, and monitoring processes will be discussed.

An examination of the agenda and the minutes may give the impression that the AID/PVO relationship is in difficulty. Yet, the increasing number of grants made to voluntary agencies, the increased frequency of contact between AID and the PVOs, and the increased attendance and tenor of meetings deny this notion. However, there are obstacles to expanding the combined resources of AID and the PVOs. These include problems of communication, administration and financial arrangements.

As a result of the March 24th meeting, the Committee developed recommendations which are discussed in their entirety in the letter addressed to the AID Administrator, (Appendix III).

APPENDIX D

WASHINGTON, D.C.: JUNE 24-25, 1980

The fourth meeting on procedural matters was held at the Johns Hopkins School of Advanced International Studies in Washington, D.C. With public participation at 230 persons, the Advisory Committee led a spirited discussion on issues.

Joseph C. Wheeler, Deputy Administrator of AID, presented the AID's response to the Advisory Committee's recommendations formulated at the March 24-25 meeting. He stressed AID's commitment to improving its relationship with PVOs, but he pointed out that some of the Advisory Committee's recommendations could be dealt with more easily than others. He made a point-by-point presentation of the AID response, which indicates that certain operational aspects related to administering foreign aid are difficult to adapt to other types of development assistance. Whether PVOs serve as a channel for AID's Programs or are to retain their own identity, style and special characteristics, is complex. The complexities are outlined in AID's official response to the recommendations which was sent to PVOs and the Advisory Committee June 26, 1980. (Refer to Appendix VI).

THEMES AND RECOMMENDATIONS

Workshop sessions again provided opportunities for small group discussions of issues. Eight different topics, which were the themes for these sessions, along with the recommendations which followed, are described below:

Legislative restrictions

These recommendations are addressed to Congress and the PVOs. They are:

1. That PVOs press for legislative action three ways:
 - a. Develop legislative priorities and plan strategies to lobby Congress for foreign development priorities emphasizing human needs;
 - b. Communicate within the PVO community and with the public to build a consensus for legislative action and private as well as public funding;
 - c. Direct institutional efforts towards existing organizations, the new legislative committee of PVOs and towards a development community coalition.
2. That the following changes in Federal tax law be made:
 - a. Rescind U.S. law which requires that the salaries of U.S. PVO staff overseas be taxed;
 - b. Establish tax incentives for multi-national corporations to encourage donations for private development efforts; and
 - c. Provide tax relief for individuals and national organizations who give to PVOs.

PVO Autonomy

Recommendations:

1. That PVOs communicate with AID about differences in objectives. PVOs have their own objectives which are not identical to those of the organizations which fund them. This reality needs to be kept in mind by AID.
2. That the amount of money accepted from AID be recognized as an important aspect of autonomy. The content of development programs is more important to PVOs than funding by the government. Problems related to grant versus contract definition persist.

3. That funding sources, including private sector, support an informed constituency and a strong governing board help preserve autonomy.

Evaluation/Accountability

This discussion centered around the fact that there is a need for more exact definitions of the terms of reference with respect to goals, operational procedures, benchmarks and time intervals.

Recommendations:

1. That PVOs be more exacting in negotiating contracts or grants to avoid problems later. Some problems with program evaluation occur because of the lack of sensitivity on the part of outside evaluators.
2. That the need for adequate funding to provide for comprehensive documentation of program progress be recognized.
3. That PVOs disseminate information, and be assisted by the Development Information System at AID.
4. That AID distribute to PVOs the impact evaluations which it will be writing.

Project Management

Three major problem areas were identified: (1) communications; (2) staff training; (3) management.

Recommendations:

1. That better communication among PVOs in the field and AID/Washington be established to improve project management.
2. That more time be allowed to establish local management procedures by the people involved in projects and those who will benefit from them. It was felt that programming benchmarks make training at the grass roots level difficult to accomplish within projected time frames.
3. That management techniques, which can be used by small agencies and implemented by staffs not managerially

trained, be developed. Indigenous management personnel which can be called upon by PVOs and other donors, can provide supplementary professional services.

4. That monitoring of relations between headquarters and the field be undertaken, so that administrative and financial requirements can be met promptly.

Financial Management

1. That Treasury Circular 10759 (Federal Reserve Letter of Credit) be the basis of AID's evaluation of PVO financial needs.
2. That AID/OPM prepare a statement for banks, which explains the purpose of the FRLC. This action should decrease long processing delays, enabling the three day letter request procedure to function smoothly.
3. That the Committee request AID contracting officers to keep PVO grantees apprised of developments affecting grant administration.
4. That AID management level staff be included, where appropriate, in PVO task force deliberations.

Auditing Concerns and Issues

Recommendations were:

1. That sub-grantees be audited by local firms, which meet AID standards, instead of by AID.
2. That AID develop formal guidelines for the use of independent auditors so that they can perform fiscal audits. That PVOs coordinate auditing by internal auditors, independent auditors and by government auditors, with a view to expanding the use of independent auditors, and thereby increasing cost-effectiveness.
3. That cost principles for non-profits be adopted so that audits of PVOs are performed in accordance with cost principles.
4. That AID auditors be included in preliminary discussions when AID is developing new funding instruments.
5. That attachment P, of OMB Circular A102 dealing with audit requirements and specifically authorizing the use of independent auditors, be incorporated into OMB Circular A110.

6. That when PVOs submit timely overhead computations, AID act promptly in conducting year-end audits.

Audits of Sub-grantees

Audits of sub-grantees were discussed. In that such audits relate to PVOs' dealings with grass roots individuals and organizations, the issue is considered important. Consensus is that since sub-grantees are independent indigenous organizations, they should be able to engage their own auditors, as long as accounting conforms to internationally recognized standards.

Recommendations:

1. That the AID Administrator exempt sub-grantees overseas from examination by AID auditors, and authorize the use of auditors engaged by the sub-grantees themselves.
2. That AID train more auditors because there is a shortage.
3. That PVOs produce guidelines in several languages explaining what is needed for reporting purposes by sub-grantees. That AID provide guidelines for use by local auditors.

Monitoring/Reporting

Some problems in monitoring and reporting were identified. One problem labeled, "midnight sweeps" is defined as contracted evaluations of PVO projects, after projects have begun and after PVO evaluations are planned or underway. The AID-contracted evaluators were criticized for superimposing their evaluations on PVO evaluations. Other areas discussed were uniform evaluation forms, which were considered to reflect an inadequate standard of PVO reliability and comprehensiveness.

Surprise visits arranged by AID, with no or very limited consultation with PVOs, are considered disruptive.

Since AID has accepted that grantees bear the responsibility for evaluation, the principle should be stated in AID/PVO agreements.

The recommendations were:

1. That monitoring and reporting be considered parts of collaborative evaluation process involving the government, PVOs, grantees and beneficiaries.
2. That PVO reports to AID be acknowledged as satisfactory or unsatisfactory, along with reasons for these findings.
3. That AID/PVO communications be clear and frequent. That changes in procedures be documented and retained for use by AID and the PVO.
4. That monitoring/reporting procedures be clearly stated in the original agreement between AID and PVOs, along with the time frame and an explanation of the kinds of reports needed.
5. That the diversity of PVOs be recognized in reporting requirements and that uniform reporting methods be allowed so that the PVOs engage in self-evaluation.

APPENDIX II

REPORTS OF CONFERENCES

APPENDIX E

MINNEAPOLIS, MINNESOTA: APRIL 18-19, 1979

The Minneapolis Conference on "Global Food Adequacy" was held at Hotel Leamington. It was the first of a series of conferences, during 1979 held in major U.S. cities, under the aegis of the Advisory Committee on Voluntary Foreign Aid.

Over 200 people, representing local concerned citizens, major international food producers, food research groups, legislative initiative groups, and private voluntary organizations attended the Minneapolis conference. This conference was regional but related community groups did not participate as expected.

Workshop and panel discussions during the two-day conference are outlined below:

- I. Concerns expressed during the workshop, "PVO Approaches to Food Production," are:
 - A. The need for PVOs to organize, police themselves and establish standards for decision making
 - B. The need for development education in the U.S.
 - C. The problems involved with coordinating efforts of PVOs, governments and corporations
 - D. The common judgement about development includes:
 1. belief in growth from below rather than the trickle-down approach
 2. belief in development of self-reliance at the village level
 3. belief in the interdependence of all factors involved in food production

4. belief that political factors are beyond PVOs' sphere of influence; therefore, PVOs rarely use the political processes available to them.
 - E. Disadvantages of the commonly accepted development views include a lack of a macro-perspective and the lack of coordination of PVO effort.
- II. Following are concerns expressed during the workshop, "The American Breadbasket and Food Self-Sufficiency."
- A. Increased food production in LDCs assumes the highest priority in development assistance. Some environmental and social factors impede efforts to increase production. Crucial factors, related to food production include rapid population growth, decreasing forests, natural disasters, and the disproportionate ratio between water and food availability and population consumption and growth.
 - B. In general, food production in LDCs is static and outdistanced by increases in population growth. As population grows competition for food increases, therefore increased production alone does not solve the problem of food distribution to impoverished people.
 - C. In addition, the ability of LDCs to produce food is greater than their ability to pay for food. Although divergent views exist on how to implement it, a world food fund is needed to stabilize food cost fluctuations for LDCs. One view holds that an international system of nationally held grain reserves (U.S. soft currencies to support a network of storage facilities and distribution infrastructure) be established. Another view holds that an international system of cash reserves providing flexibility to move foods where and when needed be established.
 - D. LDC importation of food is economically self-defeating, as imports drain funds normally used in LDC development programs. Other disadvantages to LDC importation of food are:
 1. United States' production capability may place government agencies in a political position wherein decisions are made as to which countries receive food; and
 2. Food aid is a major disincentive to increased LDC food production.

- E. Food management in the host countries can be a problem because of post-production losses. PVOs can help reduce post-production losses through training and demonstrations, particularly at the grassroots level; through the development of food storage programs; and by sharing information and encouraging collaboration among agencies to develop the necessary technology.
- III. During the workshop, "Food Production and Women," the relationship between women and food production in LDCs was the focus of a series of discussions. Conference participants suggested that development programs, policies, and activities be designed in the context of the family and society. Since, in many LDCs, women provide the agricultural labor, host country women should help set priorities and define programs while PVOs provide financial, technological and technical assistance. The participants went on to suggest that through additional funding, the AID Office of Women can be strengthened and can have a broader focus.
- IV. During the workshop, "Food Production and Nutrition," panelists discussed the problems of malnutrition. Participants and panelists noted that PVO experiences in LDCs indicate that increased food production does not lead necessarily to improved nutrition, and that nutrition can be improved for individual family members without improved food production. An overall program improvement can be made through participatory nutrition education activities

involving local resource people in program design and implementation. Increased collaboration among agencies is needed in order to use expert resources and funds more effectively.

Among the questions raised about development process were:

1. Should an agency specialize in one sector or activity, or should it develop broader expertise to respond to the multiple needs identified by a community?
2. To what extent would it be preferable for PVOs to work with host country, private-sector institutions rather than government structures?
3. To what extent should PVOs take a position regarding food policy issues?
4. To what extent does our nation's role as a major exporter of industrial goods encourage countries to produce cash crops rather than food crops?
5. What role can the concerned private citizen play in affecting a shift in our country's economic priorities?

Other PVO concerns about Food Production were discussed. PVOs have two major concerns about food production development activities. The first is a concern with maintaining autonomy while cementing relationships with AID and other government agencies.

The second level of PVO concerns are specific to activities associated with host country project implementation procedures. The range of food production activities includes adult literacy projects, credit marketing cooperatives, irrigation, provision of draft animals, and water development.

PVOs may be directly involved with project implementation or may serve as advisors to other indigenous agencies or may assist host countries to develop and implement their own projects. This approach assures a participatory form of development, consistent with the culture and traditions of host countries.

Past PVO goals in food production have tended to be short-term rather than the long-term goals required to develop market systems and acquire land. Nevertheless, today PVOs sense a need for development focused on long-term goals that will remove obstacles to food production and increase the capacity of LDCs to produce and buy their own food.

A participant agreed that PVOs and AID need to take increasing responsibility to educate the public and provide a response mechanism that will enable interested citizens to become involved with development efforts. Participants felt also that the Advisory Committee conferences can serve as the first step to public involvement in development, and can encourage more dialogue among AID, PVOs, government agencies and the public. PVOs felt that their constituents and more of the public should be present.

PVO representatives indicated that they would like to discuss the following topics with the Committee:

1. Development education,
2. Legislative restraints on development education,

3. The AID/PVO partnership,
4. Foreign aid reorganization,
5. PVO ability to meet global needs, and
6. Fund raising.

Other points of interest included the need for PVO communication and cooperation, PVO self-policing, the powerlessness of PVOs to counter riders on important legislation, and the competition for the shrinking public and foundation dollar.

APPENDIX F

SAN FRANCISCO, CALIFORNIA: June 25-26, 1979

The San Francisco conference on "Food, Nutrition and Development" was held at Marines Memorial Club. It was the second Advisory Committee conference involving substantive development issues.

Over 175 people attended, representing local concerned citizens, food research groups, colleges and universities, legislative initiative groups, and over 40 private voluntary organizations.

Panelists and participants discussed the approaches of the U.S. Government and PVOs to implementing development interventions in host countries. The general contention was that U.S. goals related to multinational protection and market development policies should encourage the development of program that promote self-reliance, and should be based on the principle of community and PVO involvement. Local community involvement can assure the establishment of development interventions that accommodate the host country's political system, culture and traditions. Participants suggested that before interventions occur, research be conducted (1) to provide a rationale for a multisectoral program intervention, and (2) to determine the appropriate sector size and site where single- or multi-intervention projects are most serviceable.

Participants went on to note that experienced PVOs or development specialists should recognize and take responsibility for the ripple effects of interventions. In order to transfer PVOs' experience and success, documentation is necessary. For example, established PVOs are experienced in affecting changes in community attitudes. Documentation of the techniques that affected attitudinal change would allow for replication in other host countries.

APPENDIX G

LOS ANGELES, CALIFORNIA: SEPTEMBER 18-19, 1980

The Committee conference in Los Angeles was the third conference organized to address substantive development issues. More specifically, the purpose of this conference was to address the following concerns:

1. An assessment of the Advisory Committee's activities during the past two years and an analysis of its role during the next decade on voluntary foreign aid, specifically with regards to development education;
2. Reactions to the findings of the Report of the Presidential Commission on World Hunger, particularly the parts that deal with the role of voluntary agencies, and
3. Suggestions for eliminating impediments to an optimal relationship between AID and PVOs, which, thereby, would accelerate cooperative efforts in foreign aid matters.

The principal recurring theme throughout was the intensification of the nation's effort to alleviate world hunger and malnutrition and stimulate self-reliant development in the less-developed countries (LDCs).

Proceedings of September 18

Morning Panel Summary: "Reflections on Past Activities"

Reflections on past activities were presented by panel members, Paul McLeary, Robert Marshall, and Calvin Raulerson, who agreed that the Committee had:

1. served its liaison and advisory functions;
2. met on issues and formed a commitment to its task of analyzing the problems between AID and PVOs and developed recommendations for a more effective and felicitous cooperative partnership;

3. reached a consensus on its role, activities, and responsibilities in conveying the concerns and needs of PVOs to AID, and
4. presented three official reports or communications to the AID administrator resulting from its meetings and activities in 1979 and 1980.

Additionally, Paul McLeary and Robert Marshall described the past two meetings (March and June, 1980) as having served as a public arena for constituency involvement. However, Marshall, McLeary and Raullerson restated the need to encourage larger constituency involvement in future meetings.

The three panelists gave recognition to the Committee's prudent decision to set aside the topic of world hunger until the September 18-19, 1980 meeting. This allowed the Committee to become totally absorbed with the "Process" questions regarding AID/PVO relationships and, thereby, the Committee was effective in its analytical role as counselor and advisor to AID and PVOs. Hence, the participants in the Tarrytown Conference appropriately set for the agenda of the September, 1980 Conference, the topic of world hunger. Hunger is a substantive issue that more closely approaches the philosophy, policy, and context of the initial purpose of AID and PVOs - commitment to foreign aid and development education in developing countries.

Along with their opening statements about the Committee's past activities, the panelists made suggestions for future discussions. In this regard, a summary of the presentations of the three speakers follow.

The speakers' suggestions for future Committee concerns were conditioned on the Committee's success in resolving the recurring issue of the nature of the AID/PVO relationship, as there are still procedural and some philosophic differences unresolved. The speakers suggested that a vision of mutual interest in a better future needs to be developed, and this in turn suggested a need for an instrument capable of affecting such a relationship. Apparently, the panelists viewed the Committee as such an instrument.

In this regard, the speakers suggested that the role or source of authority of the Committee be clarified. Accordingly, questions raised particularly by Paul McLeary were:

1. "Is it empowered by AID or by the PVOs"?
2. "Or, does its authority reside in the U.S. public which chooses to give expression to its concern for human needs issues on a global scale through governmental channels, like AID, and through the private voluntary agencies?"

Robert Marshall and Calvin Raulerson posed similar questions, and the detailed suggestions of the three speakers for role-exploration and clarification can be framed as five major roles of the Advisory Committee:

1. Advisor/Counselor Role
2. Communicator Role
3. Initiator Role
4. Convocator Role
5. Global Educator Role

In its role as advisor/counselor, the Committee should assume a continual, but impartial role as mediator, advisor, and counselor to AID and the PVO community. This allows the Committee to guide dialogue between AID and PVOs and to serve as the major vehicle for AID/PVO discussions of relationship difficulties as well as mutual goals and priorities related to development assistance.

In its role as communicator, the Committee is to play an advisory/advocacy role to government through AID, articulating and sharing the public's commitment to international development. Additionally, the Committee should be responsible for developing consensus from a diverse PVO community.

In its role as initiator, the Committee should initiate and encourage, instead of react to, dialogue or discussions which pertain to collaborative efforts between AID and PVO's in development education and foreign aid. Raullerson specifically suggested a probing of the following questions:

1. "What will be the appropriate role for Government?"
2. "How should Government assist voluntary agencies in their development education efforts--through grants, information, studies, research, conferences?"

Raullerson further explained that this AID/PVO dialogue could encourage AID technicians and PVO experts at the working level to discuss with each other how best to promote employment, primary health care, reforestation, food aid, renewable energy initiatives, and other action agendas of mutual interest to

the public and private development assistance community. The regional bureaus and the Development Support Bureau, among others, can be helpful on the AID side as well as on the side of recipient government actors.

As convocator, the Committee should continue to promote larger and diverse community involvement. That is, it should plan activities to enable community organizations, which are not normally in the foreign affairs loop (such as community-based minority and women's groups, medical groups, the Kiwanis Club, etc.) to become involved.

According to Paul McLeary, as a global educator, the Committee should be involved in and concerned with public information and education on global issues. McLeary also explained that the Committee could assume a role in public information-sharing by creating a public forum around its meetings. Therefore, as McLeary suggested, the Committee should strike an independent course, unrelated to foreign policy, in the area of global education.

Afternoon Workshop Summary: "Building Agenda for 1981"

Following the morning panel discussions, participants were divided into three workshop sessions to develop an agenda for 1981. The reports of each workshop session were presented in the afternoon. The expressions of the workshop participants suggested a 1981 agenda which requires the following:

1. Funds for an adequate secretariat for the Advisory Committee,
2. Continued study of the evolving roles of the Committee in development education, dissemination of information to the public, and as liaison between AID and PVOs,
3. Advancing development education by merging refugee assistance with development assistance,
4. Involvement of a wider variety of local U.S. communities and people from less-developed countries in Committee conferences,
5. Obtaining additional funding for PVOs,
6. Continued improvement of AID's system of monitoring, auditing, and evaluating PVOs, and
7. Organizing around other workshop themes, as well as other aspects of food for peace, hunger, and development programs.

Since objectivity has been important in dealings with AID, the participants noted the importance of the Committee maintaining impartiality.

Peter Davies suggested the establishment of an ad hoc committee, headed by Robert Nathan. The ad hoc committee would work on developing affirmative steps to educating the public in development assistance and foreign aid. Robert Marshall added that the Committee could function in development education as it did with the procedural questions, devoting attention to it and asking the private sector to follow-up on the matter. Robert Nathan supported the suggestions about public education on development assistance, but pointed out the necessity for implementation strategies.

Finally, concern was expressed about communication failures up and down the ladder (i.e., AID, voluntary agencies, PVOs, Advisory Committee, GAO, etc.). Participants noted the need to bridge the communication gap and to check AID's evaluation process.

Afternoon Panel Summaries: "World Hunger as Seen by the President's Commission"

This panel, chaired by Robert Nathan on September 18, 1980, focused on the theme of food and hunger and the Presidential Commission's Report on World Hunger. The speeches of the three panelists, Robert Nathan, Joseph C. Wheeler, and Martin McLaughlin are summarized below.

First Panelist: Joseph Wheeler

Joseph Wheeler, Deputy Administrator of AID, opened his speech with excerpts from three reports on world hunger, malnutrition, and the effect of population growth on hunger. Wheeler commenced with the Brandt Commission Report for Survival which states that conquering hunger and disease is a humanitarian feat which could save hundreds of millions of people from starvation and preventable diseases. The Report of the Presidential Commission on World Hunger indicates the size of such a humanitarian task, involving half a billion people who are malnourished, and half of these are children. The Global 2000 Report, prepared by the Council of Environmental Quality and the Department of State, indicates that:

By the year 2000 the population of the world will probably be on the order of 6.3 billion people, an increase of 50 percent over the 1975 level. While the rate of growth may go down slightly from a current 1.8 percent a year to 1.7 percent a year, because the base is expanding, actual numbers added to the globe each year may increase from today's 80 million to a year 2000 rate of 100 million.

Besides population expansion, other known environmental and social factors that compound the difficulty of conquering world hunger, according to Wheeler, are:

1. decreasing forests, particularly in tropical areas, which over the past thirty years diminished from 12 billion to 7 billion acres;
2. unfavorable, often devastating, natural conditions that are obstacles to food production in low-income countries, and
3. the disproportionate ratio between water availability and population consumption and growth.

Moreover, food production in the United States is energy - intensive in production and in transportation. This, explained Wheeler, has led to soaring energy costs which demand conscious energy conservation on the part of Americans, while, at the same time, millions of people in low-income countries are starving.

Although considerable progress has been made toward solving the food-population equation in many countries, other areas have been identified as having acute problems. These conditions suggest that the United States can expect more, rather than fewer, critical food situations in the future.

Wheeler considered three factors to be of crucial concern now: caring, government policy and government will, and the demand for and distribution of food.

The first factor, caring, implies that governments, particularly the government of the United States, be concerned about the subsistence of all people. The climate of world public opinion suggests that it is less and less tolerable for a government not to want to take definitive steps to assure that all people have food.

The second factor, government policy and governmental will, suggests the need for adjustments in governmental policies regarding adequate prices for farm production and the need for political will to adjust the prices of food to the urban consumers. In other words, governments usually react to the most immediate political problems, those of the urban population who want to get their food at low cost. In reacting to urban demands, governments often use scarce budgetary resources to subsidize food for the middle and upper classes and neglect the rural sector.

The solution lies in making the adjustments in governmental policies to get the farm prices high enough for adequate food production to meet all needs. Making the adjustments in governmental policies, however, requires enormous political will because there are difficult trade-offs, politically, between adequate incentives for production on the one hand and the desire for low prices to urban consumers on the other hand.

The third factor, the question of demand and distribution, involves finding a way for all people to participate so that they can have land to grow their own food or can earn the money to buy the food they need. As a beginning, all farmers, large and small, need to be involved fully in the food production process.

In sum, as a solution to food production and demand and distribution, Wheeler called for a broad-based rural development front which would:

1. provide resources and technology to all farmers for adequate food production;
2. involve existing agricultural educational systems and establish additional ones; and
3. develop educational and effective communication systems.

Wheeler noted also that food production is the highest priority in the development assistance dialogue about food policy. Thus, voluntary agencies can play an especially important role in mounting a broad-based rural development program. Voluntary agencies are:

1. uniquely able to mobilize and organize the poor on a person-to-person basis,
2. can assure the distribution of modern technology to all farmers, and
3. can secure the participation of people in the mobilization of resources necessary for increased food production.

Wheeler ended his speech with a call for increased participation of voluntary agencies in the area of agriculture and rural development during the decade ahead.

Second Panelist: Martin McLaughlin

Martin McLaughlin, of Overseas Development Council, began with a discussion of the Presidential Commission Report: its overall importance in strengthening and accelerating United States efforts to assure an adequate diet for all, its recommendations regarding United States policy on development assistance, and its suggestions about alleviating world hunger. McLaughlin also discussed the roles of PVOs and the Advisory Committee in the context of the Presidential Commission Report.

McLaughlin indicated that the Commission defines hunger, malnutrition, and poverty as symptoms of social diseases known as injustice and powerlessness. The Report suggests a three-fold solution which involves:

1. balancing population growth, food production and consumption patterns,
2. building food reserves to tie countries over while they participate in food production programs and development education, and,
3. helping less-developed countries build food self-reliance which means providing ways by which the poor can grow or buy their own food.

This approach suggests that the problem of world hunger be resolved through development, which means helping people improve the quality of their lives. People in less-developed countries want improvements in health and education, and they want to become self-reliant in the context of their traditions and culture. McLaughlin, therefore, repeated the Commission's

recommendation that the United States Government review and change, if necessary, its development policies to assure that American policies dealing with foreign aid, public and private foreign investment, and domestic policies which impact on development, are consistent with the national purposes and cultural traditions of host countries. In addition, McLaughlin noted that policy review and development discussions should no longer involve analyses of and reports on obstacles to food production. The people of less-developed countries are familiar with obstacles. What they need is help from the United States to remove those obstacles. Thus, United States Government policies should speak to helping less-developed countries remove obstacles to food production.

Accordingly, the PVOs can be helpful and important links because they are able to make person-to-person contact with people of less-developed countries for the purpose of stimulating self-reliance, hope, and innovation. Moreover, in the United States, PVOs can agitate and can have a significant impact on public opinion.

McLaughlin also pointed out that the work of the PVOs can be strengthened and accelerated through assistance from the Committee. This is the Committee's second year of conferences. The first was organized to permit analysis of AID/PVO difficulties and to devise solutions. The second year is to emphasize development education tasks in concert with the PVOs and AID.

McLaughlin ended his speech with reminders of how overwhelming domestic concerns and negative attitudes toward food aid and assistance can hinder the development process. Development education must take place not only in developing countries but also among the Government and the public and private sectors in the United States.

Third Panelist: Leon Marion

Leon Marion, Executive Director of the American Council of Voluntary Agencies for Foreign Service, focused on several recommendations which he feels are crucial and deserve immediate implementation. He stated that, if the Commission Report is to have significant effect on foreign aid policies and processes, the following steps are necessary:

1. Designation of a person or group:
 - a. to continue the dialogue regarding the Commission Report, and
 - b. to continue prodding the United States to carry out the recommendations of the commission;
2. Re-enactment of Public Law 480 and the up-dating of legislation which put it into operation;
3. Enactment of a new set of legislation with regards to P.L. 480 and with regards to making Food for Peace the focus of development assistance;
4. Consolidation of certain aspects of development with the Secretary of Agriculture;
5. Implementation of the Commission's recommendation for immediate food aid;
6. Identification and evaluation of existing programs and policies that are concerned with hunger and malnutrition; and

7. Presentation to the President and Congress:
 - a. specific legislation to reduce hunger and malnutrition, and
 - b. an outline of specific steps for the development of a clearly defined and coordinated national food policy.

Proceedings of September 19

Summary of Morning Presentation: "World Hunger and the Corporate World"

Fred O. Pinkham, the keynote speaker, is President of the Population Crisis Committee, a non-profit independent organization concerned with solving population problems and alleviating hunger around the world. Pinkham discussed the following factors as they relate to world hunger:

1. population and its relationship to hunger and poverty;
2. the corporate sector's lack of enthusiasm about participating in development assistance; and
3. development in the communications field.

Following his discussion, Pinkham posed questions that formed the basis for additional workshop discussions about the Presidential Commission Report on Hunger.

According to Pinkham, population underlies and exacerbates all the major problems of our time, namely, malnutrition, and food shortages. The increases in population, particularly in less-developed countries, continually offset and outpace efforts in development. For example, many times a country sets forth an excellent program, but by the time the project is financed,

set up, and completed, the country has more people on hand and the per capita benefit of that particular program is less than when it started.

The rate of population increase is tremendous in less-developed countries and in the United States. For example, countries like India are growing at a rate of one million per month, and the population of, United States cities is doubling every five to seven years. This, in turn, decreases job availability in and the export capacity of the more developed countries. For instance, the International Labor Organization in Geneva has projected that in the next twenty years there will be nine hundred million additional people coming into the labor market in the world. That, according to Pinkham, is more people than are now working in the entire Western industrial world. Besides effecting unemployment, population growth affects the exportation of foods from other countries. Many countries that once exported food are not having to import because they have more mouths in their own countries to feed. So, an especially good investment in the development of a country is to do whatever is necessary within humane and reasonable bounds to slow down the growth of the population.

Afternoon Workshop Report Summaries: Responses to Commission Recommendations

This workshop, chaired by Alan Stone, of AID, focused on the strengths and weaknesses of the Commission's recommendations on development assistance and on the roles of the Advisory Committee and PVOs in development.

Stone presented points of agreement among the workshop participants regarding the Commission Report. The Commission had a two-fold task: the first task was analytical in that it involved spending one year fact-finding and writing the Report. The second task was educational in that it involved helping to develop a series of forums on development for public education. Workshop participants, according to Stone, agreed that the first mandate was carried out, but that the Commission has not met the Congressional mandate to establish public educational forums. Additionally, the Commission has not dealt with the connection between population growth and hunger, the ever increasing problem of energy usage, and the increased cost of shipping and producing food.

Stone went on to say that participants recognized the positive attitude generated by PVOs, as they are described in the Commission Report. Central to the Commission's recommendation is that alliances be strengthened between PVOs and United States Government Programs. Due to PVOs' proximity to local people, and the diversity of their design, closer ties between

PVOs and Government would be mutually beneficial. It was suggested that Government use the PVOs in public education programs, and encourage, governmentally, the trend among PVOs to undertake comprehensive, integrated development projects, instead of hunger/relief projects.

The Commission Report gives the PVOs and the Committee language to use as a rationale to secure Government support and funding in development assistance. Thus, PVOs and others should relate their development activities to the Commission Report.

As a result of the Commission's Recommendations, participants asked that the Committee establish an ad hoc group to draft memoranda to the White House, appropriate Congressional committee chairmen, and to the Advisory Committee's press contacts, calling for strengthening government's commitment to and its immediate action on the public education aspects of the war on hunger. (See Appendix VII). Later, the ad hoc group will review all development legislation presented before Congress and make recommendations on improvements in development education.

Finally, Stone reported that the participants observed an increasing level of awareness among development policy-makers, and others, regarding the role, the work, and importance of PVOs in development. In fact, policy-makers are promoting things in the direction of the PVO style of operation. These observations

prompted the question, "Where do the PVOs fit into this enhanced version of operating the development process?" If the policy-makers and other external forces studying the issue believe in expanding the role of PVOs, then to what extent? Will PVOs assume an expanded role in policy formation with the government of less-developed countries? This is an important issue which the Advisory Committee will continue to address.

Workshop Report Summary: P.L. 480

In this workshop, chaired by Stanley Siegel of the United States Agency for International Development, the focus was the Hunger Commission's recommendations on Public Law 480 Legislation. As Siegal reported, there are a number of recommendations in the Commission's Report, that call for a virtual rewrite of the P.L. 480 Legislation. Because of the large number of recommendations and the significance of the legislation, the workshop participants felt that the Advisory Committee should set up an ad hoc committee, perhaps using the Material Resources Committee of the American Council of Voluntary Agencies for Foreign Service, to conduct a technical analysis of the specific recommendations, made by the Presidential Commission.

Development Education

During this workshop, chaired by David Guyer of Save the Children Federation, a clarification was made of the Biden-Pell Amendment to the Foreign Assistance Bill of 1981. This amendment urges the International Development Cooperation Agency (IDCA)

to promote public discussion on issues related to world hunger and allows AID to exceed its existing authority, to provide for advocacy and promotion of public awareness. Existing authority is limited to informing the public about conditions in the Third World and how AID is responding to them.

Four suggestions for increasing community involvement were made. First, relate efforts outside of the U.S. to domestic development activities. For example, local problems with illegal aliens often stem from hunger and their solutions should involve groups not normally involved in international issues, e.g., the American Medical Association, fraternal groups, labor organizations, schools, churches and the media. Third, use a variety of informational techniques, such as audio-visual materials, brochures, speakers programs, and TV specials. The centerpiece of this effort should be a professional film which establishes themes for the larger campaign which can be excerpted or edited for use in various ways. Fourth, emphasize American self-interest about food issues and overseas development. United States business has much to gain through involvement in development issues, even as Third World peoples also benefit.

One caveat was raised with respect to a campaign such as that envisaged by the workshop participants. Causes of hunger involve volatile political issues, such as land reform and interference in the international, domestic affairs of foreign governments. Participants felt that the private voluntary sector may be the most effective vehicle for such an effort.

The focus of further discussion was the Commission's recommendation that a new organization be established to promote awareness of world hunger and to build support for efforts to eliminate it. Participants unanimously agreed that a new organization is not needed. Instead, the Advisory Committee should act as leader, catalyst, and promoter of development education. Moreover, the AID Office of Private and Voluntary Cooperation should serve as the staff support for the Committee, assisting in program planning, coordination, and administration.

The conference participants recommended that members of the PVO Community and other private organizations, through their own formal and informal organizations and individual efforts, accept full responsibility for implementation of the development education program. Such responsibility would include preparation and distribution of materials, organization and administration of outreach efforts, and attending to inter-agency cooperation and collaboration.

In summary, the workshop participants noted that they see the Biden-Pell Amendment and AID's response to it as positive. The suggestions of the conference participants represent their efforts to encourage PVOs and the Committee, under AID funding, to develop a comprehensive program in development education around the issue of world hunger.

APPENDIX III

LETTER TO BENNET, AID ADMINISTRATOR

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

April 14, 1980

Mr. Douglas J. Bennet
Administrator
Agency for International Development
Room 5942 New State
Washington, D.C. 20523

Dear Mr. Bennet:

Concerned as it is with making the relationship between A.I.D. and the independent voluntary sector as effective and felicitous as possible, the Advisory Committee on Voluntary Foreign Aid has moved on from the identification of problems and points of stress in that relationship, as they were unfolded at the meeting in Tarrytown, to their resolution.

The first in a series of meetings to be directed toward this end was held in Washington on March 24 and 25. It focused on those aspects of the A.I.D./PVO relationship encountered from the pre-qualification stage up to the point when a grant is made. The meeting scheduled for June 24 and 25 will examine matters concerning implementation of grants, audits, evaluations, monitoring and oversight.

An attempt to identify and solve problems often creates an atmosphere which suggests that only problems exist. Such is the case here. A look at the agenda and the minutes can easily give the impression that that A.I.D./PVO relationship is fraught with difficulty. Yet the increasing numbers of grants made to voluntary agencies, the more frequent contact between A.I.D. and the PVOs, and, indeed, the greater number and tenor of meetings such as the one recently completed, belie this notion.

Nonetheless, there are very real and substantial impediments to maximizing and expanding the combined resources of A.I.D. and the private voluntary agencies. The concerns addressed at the meeting were grouped around problems of communication, program and policy matters, and grant administration emphasizing financial arrangements.

Communication

From statements made at the meetings themselves during this past year and from reactions to the statement of the Committee which was submitted to you on December 20, 1979, the Committee discerns an underlying uneasiness on the part of voluntary agencies in dealing with A.I.D. that extends beyond the mechanics of working with A.I.D. Some attribute this malaise to a mistrust that has its roots in the Vietnam experience and Watergate; others join with the concern expressed by the Presidential Commission on

World Hunger and the New Directions group to the effect that the Administration too readily embraced a narrow security consciousness at the expense of development and humanitarianism. Whatever the causes, the distress seems to be there, and it does affect PVO perception of A.I.D.'s programs, processes, and attitudes.

The wariness is apparently of long standing, not yet overcome by the new approaches initiated by A.I.D. Perhaps because of it, the Committee encountered considerable difficulty in getting the discussion started at its last meeting. Voluntary agencies were loath to be identified with the problems that were affecting them. Initial responses were so vague and general that it was not certain whether there was enough specificity to deal with the subject, much less to propose recommendations. It was only as the meeting unfolded that a concreteness developed.

PVOs state that they have had excellent and consistent cooperation, communication, and support from the Bureau for Private and Development Cooperation, but as they move to other parts of A.I.D. and its country Missions, this becomes more erratic; and there appears to be less consensus concerning the role, the value, and the priorities of voluntary agencies. As a result, PVOs sometimes become the victims of what appears to be intra-agency in-fighting. (Cited were disputes within A.I.D. concerning the criteria for approval of matching grants, Mission suggestions that matching grant funds be used for emergency relief, etc. Overhead and indirect costs become a problem when a voluntary agency is seeking OPG funds in a particular country.)

It appears to PVOs that there is an uneven understanding and, in some cases, acceptance of the directives of Congress and the President regarding the role of voluntary and cooperative organizations in development. The Advisory Committee makes the observation that just as pluralism and diversity are the hallmarks of the PVO community in the U.S., so are there vast differences among the developing countries and the private organizations there. Differences in host country settings argue that complete standardization in A.I.D.'s operations, including the place of PVO programs in those operations, is neither possible nor desirable. Nonetheless, a great deal more consistency in outlook and in process is possible.

The Committee assumes that A.I.D. wants its relationship with the PVOs to be as much like a partnership as possible, consistent with the realization that A.I.D. is the grantor and that the PVOs wish to preserve their independence. The recommendations below are intended to improve and make more consistent the A.I.D./PVO relationship.

Recommendation #1:

The Committee recommends strongly that A.I.D. take steps to assure that its staff, particularly its field personnel, are adequately informed concerning A.I.D.'s policies and practices involving PVOs.

Orientation of Mission Directors and other key staff prior to assignment abroad should be a matter of routine. Advisory Committee members should perhaps be involved in Mission Director conclaves. Handbooks and regulations concerning the administration of the PVO program should be up-to-date and widely distributed in A.I.D. and among the PVOs.

Recommendation #2:

The Committee recommends that A.I.D., the American Council of Voluntary Agencies, and its affiliate, the Technical Assistance Clearinghouse (TAICH) jointly develop a program and a process to arrange for the briefing of Mission Directors and key Mission personnel by the chief voluntary agencies working in their country of assignment. (A program not unlike that once conducted by the Business Council for International Understanding with regard to American firms operating abroad is envisaged.)

Recommendation #3:

The Advisory Committee recognizes the stringency of the operating expense budget. It suggests that an improvement in understanding which would get the most out of a PVO role in programs abroad could be well worth the expense of travel by A.I.D./Washington staff to visit field Missions, to orient Mission Directors and their staffs concerning the PVO program, and to observe and evaluate PVO activity in the field. The Committee therefore recommends that travel budgets for these purposes be sympathetically considered.

Program and Policy

Voluntary agencies are intent upon preserving their independence and identity. Their uniqueness and diversity need to be taken into account as A.I.D. shapes its criteria and guidelines for the programs that involve them.

Voluntary agencies are also concerned about the high and increasing cost of project preparation, particularly as revisions are required to meet requirements of the host government and to take into account the suggestions of A.I.D. Overseas travel, host country or A.I.D. demands for additional information or alterations in project design place a great financial burden on all PVOs. They have suggested that some of the cost of project development be included in the total cost of the project and shared by A.I.D. They further suggest that the costs be eligible from the point where "preliminary discussions" turn into "program development" in the sequence of the approval process. (See attached.)

Recommendation #4:

The Committee recommends that at least once each quarter, PVO representatives be invited to participate in the meetings of the

A.I.D. intra-agency PVO liaison committee to discuss operational matters and grant administration. (PACT, CODEL, the American Council, the cooperatives, and representatives of the new and smaller PVOs should be asked to attend.) A.I.D. is encouraged to be open and forthright in presenting changes in ways of doing business at these gatherings to assure PVO input into the process at the earliest stage.

Recommendation #5:

The Committee recommends that grant-funded PVO projects be viewed as outside the scope of official bilateral programs. It supports the A.I.D. step proposing legislation that exempts existing PVO programs already being supported by A.I.D. when any prohibition such as Hickenlooper or Brooke/Alexander amendments become applicable.

Recommendation #6:

The Committee accepts, in principle, cost-sharing. It also considers that projects should be identified as the PVO's. Where extensive modifications are required because of special and unique local requirements, a better case can be made for including these charges in a cost-sharing formula. The Committee recommends that A.I.D. and the voluntary agencies study this suggestion further.

Grant Administration/Financial Arrangements

In the day-to-day administration of A.I.D.-funded PVO programs, inconsistency in treatment is the most vexatious problem. A.I.D. itself is charged with not applying the spirit or the mechanics set forth in OMB Circular A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations: Uniform Administrative Requirements, which presumably apply to the entire Federal establishment.

Recommendation #7:

The Committee recommends that a directive be issued stating categorically and unequivocally that the policies and procedures affecting PVOs found in handbooks, regulations, and circular instructions apply equally and in the same manner throughout A.I.D. Particularly, fiscal and contractual relations must be maintained in a consistent and standard fashion.

Recommendation #8:

The Committee recommends that OMB Circular A-110 be adopted in spirit and in practice, and that, particularly, the methods of

payment to organizations dealing with Federal agencies apply to A.I.D. operations. All A.I.D. personnel dealing with voluntary agency grantees, whether as program officers, contract officers, financial managers, or auditors should be briefed fully on OMB Circular A-110 and conform to its requirements.

Recommendation #9:

Along similar lines, the Committee recommends that PVOs be required to negotiate with A.I.D. only once on overhead, personnel, travel, and procurement policies. A letter should be issued to the PVO stipulating the agreement reached in the negotiation. Contract and program personnel in Washington and in the field should be expected to adhere to the agreements reached.

Recommendation #10:

The Committee recommends that A.I.D. program and contract staff be acquainted with and apply the "cognizant agency" principle. That dictum states that where a preponderant amount of business is done with one Federal agency, that agency sets the rates for overhead, etc., which then apply to all other Federal agencies.

Recommendation #11:

The Committee recommends PVOs not be required to seek Mission concurrence for travel to the field.

There was a PVO suggestion to the effect that an A.I.D./PVO task force be established to raise issues and outline options and alternatives to the requirement for host country approval of PVO projects. The Advisory Committee opines that host countries are facts of life, not to be ignored if successful execution of projects is hoped for. Whether the host government's acquiescence in a PVO activity is tacit, formal, or informal depends on local circumstances. In the Committee's view, it cannot be ignored. Nonetheless, the Committee would interpose no objection to an examination of the matter by A.I.D. and the PVOs.

The Committee was also urged by the PVOs to encourage the PVOs to formulate a working paper on the formation of a PVO "trade association." The Committee recognizes the need for a broad coalescence of voluntary agencies, informed and equipped to address their constituencies, the public, the Executive Branch, and the Congress on issues involving PVOs in foreign assistance programs. Nonetheless, it views these particular suggestions as beyond its purview.

The Committee was also urged to take a strong advocacy role. The Committee cites the Federal Advisory Committee Management Act which requires that it be "advisory" only. It points to the legislative history which states that advisory committees "are necessary to provide independent ideas free of the vested positions of the agencies and their clientele."

A full report of the meeting will be submitted soon. Meanwhile, these recommendations stemming from the meeting are transmitted with the intention of helping the Agency for International Development to move in directions which you have set. It recognizes the great steps already taken and the accomplishments that have been recorded. It hopes that these suggestions will permit even greater achievements.

Sincerely yours,



Huntington Harris
Chairman

Attachment: Approval Process

THE GRANT APPROVAL PROCESS

An Outline for the Advisory Committee on Voluntary Foreign Aid

<u>STEP</u>	<u>COMMENT</u>
1. Registration	a. Required prior to any grant award. b. Current internal debate re purposes and need
2. Grant Criteria	a. Matching Grants b. Other Centrally-Funded Grants c. OPGs and Co-Financing d. Competition e. Contracts - Cooperative Agreements
3. Preliminary Discussion	a. Availability of AID funds b. Compatibility with Foreign Assistance Act c. Value of "concept paper" d. Need for clear understanding
4. Program Development	a. Regular consultation with AID b. Partnership
5. Final Proposal	a. AID uses PVO's proposal, not an AID Project Paper b. Quality of presentation c. Logical Framework
6. Program/Technical Approval	a. AID's systems vary with type of grant b. Role of host government c. Congressional Notification
7. Contract Negotiation	a. Handbook 13 b. Pre-Grant Award Audit/Survey
8. Standard Provisions of Grants	a. Eligible countries; Currency b. Evaluation, Audit, Reporting c. Procurement, sub-grants d. Travel, etc.
9. Final Signatures	

APPENDIX IV

**AID RESPONSE TO RECOMMENDATIONS
OF THE ADVISORY COMMITTEE ON
VOLUNTARY FOREIGN AID**

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

JUN 25 1980

THE ADMINISTRATOR

Mr. Huntington Harris
R.F.D. 1, Box 469
Leesburg, Virginia 22075

Dear Mr. Harris:

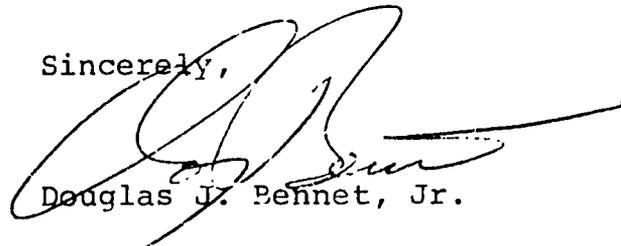
I appreciate your letter of April 14, 1980 transmitting the recommendations from the March meeting of the Advisory Committee. The meeting agenda was a full one, and your discussions were clearly fruitful in identifying ideas and possible courses of action to further improve AID-PVO relationships.

I am enclosing the Agency's responses to each of the specific recommendations. I believe we have been able to respond in a positive fashion to most of them. In addition, I have asked AID's Deputy Administrator, Joe Wheeler, and the Assistant Administrator for Private and Development Cooperation, Hank Raulerson, to ensure that the Agency carries out the actions described.

Noting that your sessions on June 24 and 25 have dealt with evaluations, audits, and general oversight, I now look forward to receiving the Committee's views on these subjects. I also look forward in the future to the Committee's views on the substance of the work before us, especially on how to increase our effectiveness and impact in the critical areas of food and agriculture, health and population, and energy.

Meanwhile, please convey to the members of the Committee my appreciation for all their views, insights, and recommendations.

Sincerely,



Douglas J. Bennet, Jr.

Enclosure

AID Response to Recommendations of the Advisory
Committee on Voluntary Foreign Aid

AID Response to Recommendations
of the Advisory Committee on Voluntary Foreign Aid

Following the March meeting of the Advisory Committee, A.I.D. initiated a systematic internal review of the recommendations contained in the Committee Chairman's letter of April 14 to the Administrator. Summarized below are the results of that review and the actions A.I.D. has taken to carry out the Committee's recommendations.

Recommendation #1. The Committee recommends strongly that A.I.D. take steps to assure that its staff, particularly its field personnel, are adequately informed concerning A.I.D.'s policies and practices involving PVOs. Orientation of Mission Directors and other key staff prior to assignment abroad should be a matter of routine. Advisory Committee members should perhaps be involved in Mission Director conclaves. Handbooks and regulations concerning the administration of the PVO program should be up-to-date and widely distributed in A.I.D. and among the PVOs.

The emphasis on the need for adequate communications within A.I.D. regarding AID/PVO policies, as well as adequate orientation for overseas personnel, is well taken.

A.I.D. Handbooks and regulations concerning the administration of those aspects of the program which involve relations with the PVOs are, of course, an integral part of the A.I.D. handbook series. These handbooks are updated periodically and widely distributed within AID/Washington and overseas. The Office of Private and Voluntary Cooperation (PVC) is now preparing to a) lead an agency review of the handbooks, regulations, etc., to confirm they are up-to-date; b) compile sections of the handbook series relating to AID/PVO policies and procedures into one reference volume and then circulate it both within AID and the PVO community; and c) make this volume, along with other pertinent materials, a part of a briefing kit to be provided all new foreign service employees.

Regional Assistant Administrators are being requested to ensure that Mission Directors and other key staff are provided a current briefing on the status of AID/PVO policies and procedures, as a routine matter, prior to undertaking overseas assignments. Regional Assistant Administrators are also being urged to utilize other opportunities, including those in the annual Mission Directors meetings, to improve understanding of AID/PVO issues.

The International Development Intern and Development Studies Programs both contain specific segments on the nature of A.I.D.'s partnership with the private and voluntary community. The latter program provides an opportunity to explore the role of private voluntary organizations and associations in the development process.

The Office of Private and Voluntary Cooperation has been exploring with the regional bureaus the possibility of organizing regional workshops. The Latin America and the Caribbean Bureau is now exploring such an idea for Central America. While current budgetary constraints may slow this momentum, we expect to see, during this year and next, a series of workshops involving PVOs, USAID, and AID/Washington personnel. These will provide concrete opportunities for A.I.D. and PVOs to increase mutual understanding, explore and resolve operational issues of joint concern, and build on the programmatic experiences of both.

The dissemination of timely and accurate information concerning PVO activities and AID/PVO relationships is a particular responsibility of the Office of Private and Voluntary Cooperation. That office will review recent communications with the A.I.D. Bureaus and the field to assure that they convey an accurate view of those activities and relationships.

Recommendation #2. The Committee recommends that A.I.D., the American Council of Voluntary Agencies, and its affiliate, the Technical Assistance Clearinghouse (TAICH) jointly develop a program and a process to arrange for the briefing of Mission Directors and key Mission personnel by the chief voluntary agencies working in their country of assignment.

The Regional Assistant Administrators are being asked to ensure that arrangements along these lines (where not already standard procedure) are made in each country of assignment as new key personnel come on duty. The Office of Private and Voluntary Cooperation will also meet with Regional Bureau representatives and representatives of the American Council, the PVO consortia, and TAICH in order to discuss alternative ways of briefing Mission Directors and senior officers here, before their departure for overseas posts. Where USAIDs have large or important PVO programs, it would also be valuable for Mission Directors and senior personnel to meet on a prescheduled basis with appropriate PVOs while in this country.

Recommendation #3. The Advisory Committee recognizes the stringency of the operating expense budget. It suggests that an improvement in understanding which would get the most out of a PVO role in programs abroad could be well worth the expense of travel by AID/W staff to visit field Missions, to orient Mission Directors and their staff concerning the PVO program, and to observe and evaluate PVO activity in the field. The committee therefore recommends that travel budgets for these purposes be sympathetically considered.

The Agency expects senior AID/Washington personnel travelling abroad to be able to articulate policies vis-a-vis PVOs, and to orient Mission personnel on the AID/PVO partnership. Where feasible, such trips also include structured observation and evaluation of PVO programs. While personnel from the Office of Private and Voluntary Cooperation and the Regional PVO Liaison officers are among the most logical to be making such trips, they are by no means the only ones. Our operating expense budget is limited, but we will attempt to ensure that travel budgets for these purposes and for broader "monitoring" are given higher priority.

Additionally, a series of impact evaluations are now in progress focussed on projects in representative sectors of A.I.D. activity: agricultural research and production, health, irrigation, local roads, rural water supplies, and housing. The lessons and policy implications of these studies should be of interest to the entire development community. In some instances PVO personnel have been involved. Since the studies will also provide insights into the skills and capabilities of the PVO community they should further contribute to the establishment of effective communication and overall relationships between A.I.D. and PVOs.

Recommendation #4. The Committee recommends that at least once each quarter, PVO representatives be invited to participate in the meetings of the A.I.D. intra-agency PVO Liaison Committee to discuss operational matters and grant administration. (FACT CODEL, the American Council, the cooperatives, and representatives of the new and smaller PVOs should be asked to attend.) A.I.D. is encouraged to be open and forthright in presenting changes in ways of doing business at these gatherings to assure PVO input into the process at the earliest stage.

The Intra-Agency PVO Liaison Committee serves essentially as an in-house forum to discuss AID/PVO issues, opportunities, policy gaps, and inconsistencies. Its deliberations are not binding unless the Administrator so requests, in which case the members will seek a consensus. Our General Counsel advises that according to the Federal Advisory Committee Act, we cannot have meetings with "selected" PVO representatives except in the framework of an established Advisory Committee. While we agree that PVOs should be able to give their views to the Liaison Committee on matters that concern them, and while we are seeking ways of doing this informally within the law, we should continue to look to the Advisory Committee on Voluntary Foreign Aid for accomplishing the purposes of the recommendation.

Recommendation #5. The Committee recommends that grant-funded PVO projects be viewed as outside the scope of official bilateral programs. It supports the A.I.D. step proposing legislation that exempts existing PVO programs already being supported by A.I.D. when any prohibition such as Hickenlooper or Brooke/Alexander amendments become applicable.

We welcome the Committee's endorsement of the proposed amendment to permit ongoing PVO projects to be funded for their approved grant period in countries where prohibitions on assistance have subsequently become applicable. This amendment recognizes the independent and nongovernmental nature of PVO programs. Although it does not place PVO projects "outside the scope of official bilateral programs", it should alleviate many of the effects of required terminations on PVO programs. This being an area of continuing concern, we would welcome further thoughts and recommendations by the Advisory Committee on any options warranting consideration.

Recommendation #6. The Committee accepts, in principle, cost-sharing. It also considers that projects should be identified as the PVOs'. Where extensive modifications are required because of special and unique local requirements, a better case can be made for including these charges in a cost-sharing formula. The Committee recommends that A.I.D. and the voluntary agencies study this suggestion further.

We appreciate the Committee's calling attention to the implications which may arise from extensive modifications in program design which grow out of special local requirements. Proposal modification costs are normally not viewed as direct costs eligible for allocation to project budgets (to which a cost-sharing formula might be applied). However, the PVO Liaison

Committee has been asked to study this proposal further and develop specific recommendations applicable on a case-by-case basis. As background to the work of the Committee, it would be helpful to have more examples of the types of problems PVOs have been experiencing and the attendant costs.

Recommendation #7. The Committee recommends that a directive be issued stating categorically and unequivocally that the policies and procedures affecting PVOs found in handbooks, regulations, and circular instructions apply equally and in the same manner throughout A.I.D. Particularly, fiscal and contractual relations must be maintained in a consistent and standard fashion.

We agree that uniform application of A.I.D. policies and procedures affecting PVOs is desirable and will continue our review of this problem to develop more uniform procedures to the extent practicable. We have already made some progress on the negotiation of overhead rates, as indicated in the discussion of Recommendation No. 9 below. In any case, further specific information and/or recommendations from the Advisory Committee would be welcome at any time.

Recommendation #8. The Committee recommends that OMB Circular A-110 be adopted in spirit and in practice, and that, particularly, the methods of payment to organizations dealing with Federal agencies apply to A.I.D. operations. All A.I.D. personnel dealing with voluntary agency grantees, whether as program officers, contract officers, financial managers, or auditors should be briefed fully on OMB Circular A-110 and conform to its requirements.

OMB's Circular A-110 has been implemented in the Agency's Handbook 13 dealing with grant administration and issued in October 1977. Subsequent regulations issued by the Department of the Treasury will soon be incorporated in Handbook 13.

There is, however, one variation which we will incorporate in the provisions. This has to do with the requirement that Federal Reserve Letters of Credit (FRLC) not be used where local cost financing has been authorized, i.e., where disbursements under dollar grants will be made in local currency. Since this might pose some difficulties for A.I.D.'s U.S. grantees and contractors, we are (with the concurrence of the Treasury and OMB) developing a procedure which will allow for the following:

- a. for grants having less than 50 percent expenditures in local currency, the FRLC advance method would be used if all other FRLC use conditions were met;
- b. for grants having more than 50 percent expenditures in local currency, but in two or more countries, the FRLC advance method would be used if all other FRLC use conditions were met; and
- c. for grants having more than 50 percent expenditures in local currency, but in only one country, the periodic advance method would be used, and the USAID, not AID/W, would make all disbursements.

With this exception, which has been approved in principle by both OMB and Treasury, Circular A-110 has been incorporated into A.I.D. policies and distributed. It is the responsibility of all program, grant and audit officers to be fully conversant with these provisions, with the Contracts Office responsible for monitoring compliance. The latter office has been asked to review the adequacy of the briefings provided new officers and recommend, in conjunction with the Office of Personnel, any appropriate actions deemed necessary to ensure comprehensive briefings. Similarly, this letter will have full distribution throughout A.I.D., including the Missions.

Recommendation #9. Along similar lines, the Committee recommends that PVOs be required to negotiate with A.I.D. only once on overhead, personnel, travel and procurement policies. A letter should be issued to the PVO stipulating the agreement reached in the negotiation. Contract and program personnel in Washington and in the field should be expected to adhere to the agreements reached.

A cable went to A.I.D. Missions on May 23 calling for Agency-wide honoring, in full, of the overhead rate agreements executed in Washington with PVOs; letters will be issued to PVOs stipulating the rates agreed to in the overhead negotiations. We agree that negotiated agreements on personnel, travel and procurement should be negotiated centrally, and that whatever is reviewed and/or negotiated and approved will be binding on all A.I.D. relationships with the PVO.

Recommendation #10. The Committee recommends that A.I.D. program and contract staff be acquainted with and apply the "cognizant agency" principle. That dictum states that where a preponderant agency, that agency sets the rates for overhead, etc., which then apply to all other Federal agencies.

To date, "cognizant agency" procedures have only been established in OMB regulations for universities and local governments. All non-profit organizations have not yet been included. The Office of Contract Management will keep interested parties informed of the likelihood and timing of the establishment of such principles which would be applicable to PVOs. At this time, therefore, we will need to negotiate individually with PVOs to establish applicable overhead rates.

Recommendation #11. The Committee recommends PVOs not be required to seek Mission concurrence for travel to the field.

The Administrator recently authorized independent travel to the field under matching grants, with the caveat that if contact with the Mission was planned the USAID be advised of the upcoming visit. However, the prior concurrence requirements have been retained in cases where specific support grant recipients are travelling abroad (for example, those with operational program grants). Experience here shows that grantees invariably do call on USAID Missions for assistance; thus, to ensure both the availability of Mission and host country personnel and to facilitate overall coordination, concurrence should continue to be sought in these instances.

APPENDIX V

**RECOMMENDATIONS OF THE ADVISORY COMMITTEE
ON VOLUNTARY FOREIGN AID STEMMING FROM
JUNE 24/25 MEETING**

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

August 13, 1980

Mr. Douglas J. Bennet
Administrator
Agency for International Development
Room 5942 New State
Washington, D.C. 20523

Dear Mr. Bennet:

I am pleased to report to you that the Advisory Committee's meeting of June 24 and 25, 1980, was a great success. Public participation was at its peak: 230 persons were in attendance. The discussion was spirited, evidencing increasing knowledge and confidence on the part of voluntary agencies in sharing problems with A.I.D. officials and with the Committee.

The Committee assumes that preoccupation with the processes involved in the A.I.D./PVO relationship is coming to a conclusion. As suggested in your letter, a chapter will be closed and the Committee will be able to devote more attention to specific substantive issues and policy questions. Its meeting on September 18 and 19 in Los Angeles is designed to allow it to examine its recent activity, and on the basis of that scrutiny, to determine its priorities for the future. The Committee will also be giving attention to the Report of the Presidential Commission on World Hunger at that meeting. We count on your guidance as well as that of other A.I.D. officials and the continued input of a growing participation of the voluntary agencies for our future deliberations.

The June meeting of the Advisory Committee dealt with those aspects of the A.I.D./PVO relationship which surface after a grant is made to a voluntary agency. The implementation of projects and execution of the programs financed by the grant came under review. Auditing, evaluation, reporting, and monitoring constituted important elements in the discussion. This second and final phase of the examination of the A.I.D./PVO relationship was an outgrowth of the Committee's Tarrytown meeting (September 1979) during which voluntary agencies identified the features of working with A.I.D. which give them most concern. (Pre-grant award matters were discussed at the Committee's March meeting which resulted in the Chairman's letter to you on April 14, 1980, and your response of June 25.)

The sub-title of the meeting might well have been "Accountability With Independence." The major presentations, the panels and the discussions from the floor all dealt with some aspect of this theme. The discussion of matters raised in the matching grant conference, called by A.I.D. prior to the Committee's meeting, described a number of ways in which A.I.D. could

helpfully work with voluntary agencies in meeting legislative and administrative requirements. It was noted that, however worthy the A.I.D. intention, its interventions often do change PVO styles, processes and even programs. The statements by officials of well established organizations which are the recipients of the two largest matching grants indicate that interventions, actual and anticipated, after a grant is made, create uneasiness and occasionally disruption in the relationship of those organizations with their overseas affiliates. The litany of details and minutiae involved in the accounting, auditing and financial management presented by the controllers and managers of the voluntary agencies suggests varying degrees of sacrifice in autonomy and identity on the part of voluntary agencies in order to conform to the various chapters of the Code of Federal Regulations, O.M.B. directives, A.I.D. handbooks, etc., etc. that come along with the acceptance of an A.I.D. grant. But surely this is part and parcel of the process of being a grantee.

The Committee believes that it is possible to administer a program which encourages the participation of voluntary agencies without doing injury to sometimes fragile institutions. The statements of the Auditor General and the officials of the General Accounting Office reflected an understanding of the situation and indicated a disposition to do something about it.

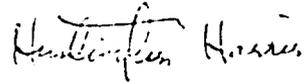
The future of A.I.D. and the success in achieving its aims depends upon the sensitivity, creativity and vigilance with which it administers its programs. The greater and more important issue that arises is whether conformity is the price voluntary agencies must pay to participate in sharing A.I.D.'s resources, or whether ways can be devised that preserve the identity, style, and characteristics of the individual voluntary agency--those very qualities which make it the unique and attractive institution that it is.

The Committee noted the important role played by the association of PVO financial managers in this meeting. The very existence of the group indicates a high level of fiscal responsibility and a sense of stewardship on the part of the voluntary agencies. It also provides A.I.D. with a forum in which to discuss new rules and procedures before they are applied to grants and contracts. The Committee applauds this development, and calls your attention to the group's statement which appears as Attachment A to the Report of the Proceedings of the June 24/25 meeting (enclosed).

The Committee limits its recommendations to a few areas which have general and critical applicability. These are appended to this letter. It encourages A.I.D. to study and consider the full report of the meeting and particularly the statement of the financial managers.

The Committee transmits the report and the recommendations with the hope that this process is helping A.I.D. engage the voluntary agencies in development programs more effectively.

Sincerely yours,

A handwritten signature in cursive script that reads "Huntington Harris".

Huntington Harris

Enc:

- 1-Recommendations: June 24/25 meeting
- 2-June meeting report

RECOMMENDATIONS
of the
ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID
STEMMING FROM
THE JUNE 24/25, 1980 MEETING

General

There are many occasions for interventions on the part of A.I.D. into the activities of a voluntary agency after a grant is made. Monitoring, reporting, auditing, all the fine print in the standard annex to a grant agreement take on new meaning. It is most important that A.I.D., at all levels, understand and be sensitive to the nature and the role of the voluntary agency in the process of program execution.

Orientation and indoctrination are as important, if not more so, in this phase of the A.I.D./PVO relationship as they are prior to the grant award.

By the time the grant is made, it is assumed that A.I.D. will be reasonably well informed about its grantee and its mode of doing business. The voluntary agency's financial, managerial and technical capacity and limits will be known. Presumably the grant will be tailored to take these factors into account. On the other hand, A.I.D. must not assume that its grantees are familiar with the myriad rules, regulations, and processes which govern A.I.D. grants. It must quite deliberately acquaint its grantees with all aspects of its requirements.

Recommendation No. 1

A.I.D. should systematically and periodically conduct seminars, workshops, and other gatherings, which inform the voluntary agencies of the latest developments and changes in Federal Procurement Regulations, A.I.D. policies, O.M.B. requirements, American Institute of Certified Public Accountants industry guidelines, and any and all other rules and instructions which affect grants to voluntary agencies. An even greater advantage would be gained if such discussions preceded the issuance of new rules and procedures.

Corollary No. 1

It should not be assumed that publication of rules in the Federal Register or their incorporation by reference into a grant agreement implies understanding by the grantee. PVO and A.I.D. officials should be specifically instructed about laws and rules, and modifications in these, by the cognizant officer.

Corollary No. 2

It cannot be repeated too often that voluntary agencies can be, and sometimes are, overwhelmed by government controls and safeguards to such an extent that

program implementation suffers, and the PVO assumes the role of A.I.D.'s agent in executing projects. A.I.D. must remain sensitive to the nature and role of its grantee, and remember that it is the grantee's program; while assuring proper accountability from the grantee.

Recommendation No. 2

A number of A.I.D.'s grantees implement programs and projects by making sub-grants to affiliates and affinity groups in the developing countries. In some instances this is done through an international parent organization with which the U.S. and Third World organizations are associated. These relationships are often as delicate as they are complex.

The Advisory Committee recommends that, to the maximum extent possible, A.I.D. look to its original grantee (the U.S. organization in most cases) and not the sub-grantee for full financial accountability for its grant. Financial audits should be limited to the initial (American) grantee. The Committee understands that the A.I.D. Administrator has the authority to permit this procedure, and urges that sympathetic consideration be given to the broadest relief possible where the circumstances warrant.

With regard to evaluations, the Committee recommends that A.I.D. assure itself that its grantee has an adequate internal system for project assessment. To the maximum extent possible, reliance should be placed on the grantee's assessment of program and project performance and compliance. In those instances where A.I.D. or A.I.D.-engaged contractors must conduct an evaluation, the grantee and sub-grantee should be involved in the planning, the scheduling, and in the evaluation itself. (A.I.D.'s attention is directed to Evaluation in the PVO Community, in the Report of Proceedings of the June 24/25 meeting, as well as the discussion of evaluation which took place at the Committee's meeting in San Francisco, June 25/26, 1979.)

Recommendation No. 3

The Committee recommends that, to the maximum extent possible, financial audits performed by independent auditors in accordance with generally accepted audit practices be accepted by A.I.D., in lieu of its own audits or those performed for A.I.D. by the Defense Contracts Audit Agency. (The Committee believes this recommendation to be consistent with O.M.B. Circular A-102, Attachment P.)

Corollary No. 1

In auditing overseas grants, it is recommended that in those countries and in those circumstances where the standards and ethics of an auditing and/or accounting profession are established by the profession, and/or the audit firm meets and applies international accounting standards, audits by local firms be accepted.

Recommendation No. 4

The Advisory Committee recommends that a group within A.I.D., including the offices of the Auditor General, Financial Management, Contract Services, General Counsel, Private and Voluntary Cooperation, and the Regional Bureaus, study and consider the statement of the association of PVO financial managers (attached to the enclosed report) to determine what relief A.I.D. can offer the PVO community in each of the areas treated. The Committee further recommends that informal contact between these A.I.D. officials and the PVO financial managers be close and frequent to permit smooth working relationships, and to make more likely the promulgation of rules based on realistic understanding of PVO processes and capacities.

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APPENDIX VI

AID RESPONSES TO ACVFA JUNE 24/25, 1980

RECOMMENDATIONS

A.I.D. RESPONSES TO ACVFA JUNE 24/25, 1980
RECOMMENDATIONS

Recommendation 1:

We recognize the importance of doing everything possible to ensure understanding of existing rules and regulations. A continuing effort to facilitate two-way communication will be necessary since the rules and procedures which effect grants to private and voluntary agencies (PVOs) do change over time, due to A.I.D. actions, new Federal Policies, as well as those policies of independent private organizations such as the AICPA, that are relevant to the accountability standards applicable to PVOs.

A.I.D. has sought to encourage dialogue on policies and procedures in several ways:

1. through periodic A.I.D./PVO conferences;
2. through A.I.D. participation in meetings of the PVO Controller's group;
3. through "Dear Colleague" letters from the Office of Private and Voluntary Cooperation;
4. through the development of an annotated reference index to A.I.D. policies and procedures - a response to an earlier Advisory Committee recommendation;
5. through the opportunity for PVO participation in A.I.D. training programs; and
6. through meetings of the Advisory Committee.

We will continue to make active use of these fora. In addition, we are now planning the first regional workshop to be held in the field for U.S. and local PVO directors in Costa Rica, Panama, Nicaragua and Honduras to address A.I.D. policy, regulations and guidelines.

In order to be fully responsive in the future, it would be helpful to identify areas of particular concern on matters that need clarification. These issues can then be addressed specifically in an appropriate forum. To initiate such a process, we invite the PVO Controllers Group or the Advisory Committee to advance specific suggestions for either a seminar or workshop format through which they could be discussed, perhaps in conjunction with an Advisory Committee meeting.

As suggested in Recommendation No. 1, advantage would be gained by having input on A.I.D. regulations prior to their issuance or periodic updating. There are 16 A.I.D. regulations which comprise part of Title 22 of the Code of Federal Regulations. These cover topics ranging from environmental procedures to the overseas shipment of supplies by voluntary

nonprofit relief agencies. Pursuant to Executive Order 12044 as extended by Executive Order 12221, these are published for public comment in the Federal Register in advance of their issuance. Any PVO wishing current information on A.I.D.'s plan for implementing the periodic review of these regulations may obtain a copy of the schedule from the Office of Private and Voluntary Cooperation.

Finally, the Office of Management and Budget (OMB) is currently studying six areas where new government-wide assistance policies may be needed. This process provides a specific opportunity for input before new overall policies are established, input which is not only invited but encouraged. The Office of Management and Budget's announcement of this process, as contained in the September 25 issue of the Federal Register, is attached for the information of the private voluntary community.

Recommendation 2:

A.I.D. current policy (regarding evaluation) is consistent with the Committee's recommendation relating to project evaluation: to the extent possible, reliance should be placed on the grantee's assessment of project performance and compliance. Most grants call for reporting at least annually, which, along with the PVO's self-critical analysis, should normally meet A.I.D.'s needs for input-output monitoring and project tracking. Information needs and assurance of an adequate internal system of evaluation are agreed to prior to the awarding of any grant.

In evaluation of programs, which examine grant goals and purpose achievement, or assess impact or policy implications, A.I.D. or A.I.D.-engaged contractors involve the grantee (and sub-grantee, if need be) in the planning, scheduling and the evaluation itself, as appropriate to the specific circumstances in each case. This is consistent with the concerns identified in the report of the American Council of Voluntary Agencies for Foreign Service, Inc. (ACVAFS) on Evaluation in the PVO Community.

The Agency has recently provided support for a series of evaluation workshops and related efforts in response to a proposal of ACVAFS. We anticipate that many of the concerns about donor roles in evaluation will be among those issues addressed.

Recommendation 4:

We fully agree on the desirability of continuous dialogue between A.I.D. and PVO personnel responsible for aspects of financial management. We have welcomed the opportunity to participate in the seminars and workshops conducted by the PVO financial managers association.

As to the statement of the association of PVO financial managers attached to the Advisory Committee recommendations, we have already addressed several of the suggestions, and have some additional observations as follows:

1. Overhead Rates. With regard to centrally negotiated overhead rates, we have sent two worldwide cables requiring Missions to apply and fund, in Mission-issued grants to PVOs, the overhead rates specified in the Negotiated Overhead Rate Agreements established and administered by the Agency's Office of Contract Management. We have also provided clarification to Missions on the subject of cost-sharing. We believe these two cables should resolve the problems that have been identified.

2. Federal Reserve Letter of Credit (FRLC). A.I.D. conducted a survey among thirteen FRLC recipients in the New York City/Washington, D.C. area to obtain data on the length of time it takes commercial banks to credit the PVO's account with the proceeds of an FRLC drawdown. Ten of the thirteen recipients contacted responded with the requested data. There was considerable variation in the time elapsing from presentation of the TFS 5401 drawdown voucher to the commercial bank until the proceeds were credited to the PVO's account. In the Washington, D.C. area, the median time from presentation to deposit was 3 workdays and the average time was 3.4 workdays. The New York area had considerably better service with a median time from presentation to deposit of 2 workdays and an average time of 2.2 workdays. One commercial bank in New York gave immediate credit to the PVO at the time of presentation of the completed payment voucher. On balance, the Treasury intended and allows the grantee to draw cash only when actually needed for disbursements. Persistent follow-up by the PVOs with their bank would probably shorten the turnaround time. If individual PVOs are experiencing delays in receiving funds greatly in excess of what the survey showed, we would be very interested in hearing from them.

3. Cost Principles for PVOs. Since the June meeting of the Committee, the OMB has issued cost principles for use in grants and contracts with nonprofit organizations (OMB Circular A-122). We have instructed our staff to use these new cost principles.

4. Greater Involvement by A.I.D. Auditors in the Development of New Funding Instruments. All A.I.D. Handbooks must be reviewed by the prime or "author" office each year. Any revisions, or additions/deletions are first prepared in draft, then circulated for comment by the concerned offices within A.I.D. Only once this process has been completed will the material be issued officially. Thus in this process, the Auditor General's office has an opportunity to participate since that office must clear any action which is within their jurisdiction, and will be asked to review and clear those which are related.

In the future, as new concerns arise in the arena of financial management, we would welcome an opportunity to respond to those brought to the attention of the Advisory Committee through the PVO financial managers association.

Participation in Intra-Agency PVO Liaison Committee Meetings

In the June 25 A.I.D. response to recommendations made by the Advisory Committee, A.I.D. noted agreement "... that PVOs should be able to give their views to the Liaison Committee on matters that concern them, and while we are seeking ways of doing this informally within the law, we should continue to look to the Advisory Committee on Voluntary Foreign Aid for accomplishing the purposes of the recommendation."

We have reviewed this issue further, and have concluded that PVOs may present their views to the Intra-Agency Liaison Committee, just as they can to any government officials as long as the meeting is not used to obtain advice from the PVO or PVOs. Factors indicating that a meeting is being used to obtain advice include use of an agenda, and obtaining a group consensus on issues raised. We encourage PVOs individually to submit their views to A.I.D., but when the purpose of the meeting is for the PVOs to provide advice to A.I.D., the appropriate forum is the Advisory Committee on Voluntary Foreign Aid.

12/2/80

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Island, Kingston, Rhode Island, as the official NRC Local Public Document Rooms (LPDRs) for the proposed decommissioning of United Nuclear Corporation's (Licen-see) Wood River Junction Facility in Wood River, Rhode Island.

All documents related to the licensee's proposed decommissioning and all subsequent documents will be available for inspection and copying at both the Cross Mill Public Library and the University of Rhode Island Library. The Cross Mill Public Library is located at 1 Old Post Road, Charlestown, Rhode Island 02813. The Cross Mill Public Library's hours of operation are 6 p.m. to 9 p.m. Monday, 9 a.m. to 12 noon Tuesday, 1 p.m. to 5 p.m. Wednesday, 9 a.m. to 12 noon and 6 p.m. to 9 p.m. Thursday, 1 p.m. to 5 p.m. Friday and 1 p.m. to 5 p.m. Saturday. Self-service reproduction facilities are available to the public at the cost of 15¢ per printed page. For further information, interested parties in the Charlestown area may contact the LPDR directly through Mrs. Ann Crawford, Librarian, telephone number (401) 364-6211.

The University of Rhode Island Library is located at the University of Rhode Island, Kingston, Rhode Island 02881. The University Library's hours of operation are 8 a.m. to 5 p.m. Monday through Friday. Self-service reproduction facilities are available at 10¢ per printed page. For further information, interested parties in the Kingston area may contact the LPDR directly through Mr. Tom Reynolds, Librarian, telephone number (401) 792-2656.

Parties outside the service area of the Charlestown and Kingston LPDRs may address their requests for records to the NRC's Public Document Room at 1717 H Street N.W., Washington, DC 20555, telephone number (202) 634-3273. The cost of ordering records from the NRC Public Document Room is 8¢ per printed page, plus tax and postage.

Questions concerning the availability of documents at the LPDRs or the NRC's local public document room program should be addressed to Ms. Jona L. Souder, Chief, Local Public Document Room Branch, U.S. Nuclear Regulatory Commission, Washington, DC 20555, telephone number (301) 492-7536.

Dated at Bethesda, Maryland, this 16th day of September, 1980.

For the Nuclear Regulatory Commission,
Joseph M. Feiton,
Director, Division of Rules and Records,
Office of Administration.

[FR Doc. 80-2668 Filed 9-24-80; 8:45 am]
BILLING CODE 7590-01-4

OFFICE OF MANAGEMENT AND BUDGET

Explanation of Projects To Develop New Federal Assistance Policies and Invitation for Public Participation

September 15, 1980.

AGENCY: Office of Management and Budget.

ACTION: Explanation of projects to develop new Federal assistance policies and invitation for public participation.

SUMMARY: The Office of Management and Budget semi-annual agenda of regulations published in the Federal Register of August 11, 1980, contains one item that includes several sub-items dealing with policy reviews which may lead to new government-wide assistance policies. This notice is to provide additional information on these initiatives and to invite public participation therein.

FOR FURTHER INFORMATION CONTACT:

The person listed in this notice for each specific policy area should be contacted for additional information about that specific area. For questions about the overall effort, contact Thomas L. Hadd, Chief, Assistance Policy Branch, Intergovernmental Affairs Division, Office of Management and Budget, Room 5217 NEOB, Washington, D.C. 20503, Telephone (202) 395-5156.

BACKGROUND: In March of 1980, the Director of OMB submitted to Congress a report entitled "Managing Federal Assistance in the 1980's." The report culminated a two-year study required by the Federal Grant and Cooperative Agreement Act (Pub. L. 95-224). The report included a list of problem areas where new government-wide assistance policies may be needed. Public participation is both invited and encouraged in the six areas outlined below. OMB is reviewing its circular structure to see how many circulars may be needed to cover existing assistance policies plus any new policies that may be adopted. Thus each of the following six policy areas might be treated by a single circular or as a part of a more comprehensive guidance document. At this stage priority will be assigned to questions of need for new policies, and their content if needed.

THE SIX POLICY AREAS:

1. *Policies, processes, and agency performance standards for managing generally applicable requirements for domestic assistance programs.* The Federal Grant and Cooperative Agreement Act required OMB to study the feasibility of a comprehensive system of guidance for federal assistance activities, and report to

Congress for implementing the system. The study found major problems in the application of general federal policies, (e.g. protecting the environment, preventing discrimination, and conserving energy) and administrative requirements to assistance programs. The study report to Congress indicated the system of guidance should initially concentrate on these problems.

Each assistance program affected by these generally applicable requirements must serve multiple federal objectives. There appears to be a need for policies and a process for the development - implementation, and evaluation of these requirements. Major issues include:

—To what degree should these requirements be standardized for all programs, applicants, and recipients? If they need to be kept flexible, how can recipients be assured of consistent instructions from different federal agencies?

—By what methods can the necessary interagency coordination and cooperation be achieved without inordinate time delays or increased costs?

—How can the performance of agencies in complying with the new policies and processes be measured and assured?

—What policies and procedures will assure compliance with generally applicable requirements without detracting from assistance agencies' primary program objectives?

Proposed policies will be published in the Federal Register for public comment during September 1980.

Contact person, Thornton Parker, Assistance Policy Branch, IGA, OMB, (202) 395-3070.

2. *Policies for resolving program related disputes with applicants and recipients of grants and cooperative agreements.* The OMB study found that the volume and severity of assistance related disputes are rising. Recipients are taking an increasing number of disputes to court, in part because of inadequate resolution processes among agencies administering assistance programs. Major issues include:

—What minimum standards for dispute resolution should apply to all assistance agencies?

—What types of dispute resolution mechanisms are most appropriate, fair, speedy, economical, and acceptable?

—What provisions need to be made for legal and administrative review?

A draft of proposed guidance is expected to be published in the Federal Register for public comment in October 1980.

Contact persons: John Settle, Chairman, Grant Appeals Board.

Department of Health and Human Services, (202) 245-0222, or Thurston Parker, Assistance Policy Branch, IGA, OMB (202) 395-3070.

3. *Additional guidance to Federal agencies for implementing the Federal Grant and Cooperative Agreement Act, (Pub. L. 95-224).* The Federal Grant and Cooperative Agreement Act authorizes OMB to issue supplementary interpretative guidelines to promote consistent implementation of the Act. Initial guidance was published as a Federal Register notice, August 18, 1978 (Volume 43, No. 161, pages 36860-36865). Experience with the act and this preliminary guidance, plus the OMB study, have revealed numerous additional issues in need of resolution through revised guidance. These issues include:

—How should the Act apply to federal funding of research and development?

—How should the Act apply to international transactions?

—Where a program provides assistance to the public through intermediaries, how does the Act apply to relationships with the intermediaries?

—What types of federal relationships or transactions if any, should be excluded from coverage under the Act?

—How can the Act be used more effectively as a policy, program, and project management vehicle?

—What added concept development and definition is necessary to enhance the operational utility of the "grant-cooperative agreement" distinction established by the Act?

Draft revisions to the OMB guidance are expected to be published in the Federal Register for public comment by December, 1980.

Contact person: Carl Blakely, Assistance Policy Branch, IGA, OMB, (202) 395-3070.

4. *Policies for treatment of commercial and industrial organizations (for-profits) under grant-type assistance programs.* In the past, federal agencies have largely refrained from using grants and cooperative agreements in awards to for-profit organizations. The Federal Grant and Cooperative Agreement Act has the potential effect of expanding the use of such awards.

OMB Circulars A-102 and A-110 establish policies and standards for grants with state and local governments, universities, hospitals and non-profit organizations. There are no comparable government-wide policies to guide management of assistance awards to for-profit organizations. An inventory of individual federal agency practices and policies related to assistance awards to

for-profit organizations is now being developed. Major issues include:

—To what extent and in what areas are government-wide policies for treatment of commercial and industrial organizations needed?

—What statutory or administrative provisions act to inhibit for-profit organizations from participation in assistance awards? Does such inhibition impair the achievement of federal objectives?

—To what degree should these policies and standards parallel or differ from established procurement policies?

—What goals should be advanced in policies governing the management of assistance awards to commercial and industrial organizations?

A draft of proposed guidance is expected to be published in the Federal Register for public comment by December, 1980.

Contact person: Gerald Fill, Assistance Policy Branch, IGA, OMB, (202) 395-3070.

5. *Policies for the treatment of fees and profits under assistance awards.* Agency practices differ in the treatment of fees and profits under grants and cooperative agreements. With increasing use of these assistance instruments with both non-profit and for-profit organizations, recipients and federal agencies have expressed a need for policy guidance in this area. The major issues include:

—Under what conditions should for-profit organizations receive fees or profits?

—Under what conditions should non-profit organizations receive fees?

—How should fees and profits be treated in relation to cost sharing requirements?

A draft of proposed guidance is expected to be published in the Federal Register for public comment during the fall or winter of 1980-81.

Contact person: Gerald Fill, Assistance Policy Branch, IGA, OMB (202) 395-3070.

6. *Policies for competition under assistance programs.* One of the purposes of the Federal Grant and Cooperative Agreement Act is to encourage competition in the award of grants and cooperative agreements. There is no government-wide policy on assistance competition and the practices of the agencies vary widely. Major issues include:

—What should be the definition of competition under assistance programs?

—What factors are legitimate bases for assistance competition?

—What can be learned from experience with procurement competition that should be considered

during the development of policies for assistance competition?

—How should competition involving both for-profit and non-profit organizations be handled?

A draft of proposed guidance is expected to be published in the Federal Register for public comment by December, 1980.

Contact persons: Gerald Yamada, Office of General Counsel, Environmental Protection Agency, (202) 755-0784, or Gerald Fill, Assistance Policy Branch, IGA, OMB, (202) 395-3070.

Anyone interested in providing views or suggestions on any of these projects is invited to do so directly to the contact person. All public contributions to these policy reviews will be available for public inspection and will form a portion of the public record of this project.

Linda L. Smith,

Acting Budget and Management Officer, Office of Management & Budget.

(FR Doc. 80-25030 Filed 9-24-80; 8:45 am)
BILLING CODE 3110-01-M

President's Commission for a National Agenda for the Eighties; Meeting

September 17, 1980.

AGENCY: Office of Management and Budget.

ACTION: Notice of meeting.

SUMMARY: Pursuant to Pub. L. 92-463, notice is hereby given for a meeting of the Executive Committee of the President's Commission for a National Agenda for the Eighties, scheduled October 2, 1980 from 9:00 a.m. to 6:00 p.m. in Washington, D.C. The meeting will be held at the Federal Home Loan Bank Board Building, 1700 G Street, NW., in the Board Room.

The purpose of the meeting is to discuss elements of the Commission's report.

Available seats will be assigned on a first-come basis.

The meeting will be open to the public.

FOR FURTHER INFORMATION CONTACT: President's Commission for a National Agenda for the Eighties, Office of Administration, 744 Jackson Place Northwest, Washington, D.C. 20006, (202) 275-0616.

Brenda Mayberry,

Acting Budget and Management Officer.

(FR Doc. 80-27732 Filed 9-24-80; 8:45 am)
BILLING CODE 3110-01-M

APPENDIX VII

LETTER TO THE PRESIDENT OF THE UNITED STATES

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

October 27, 1980

The Honorable Douglas J. Bennet, Jr.
Administrator
Agency for International Development
Washington, D.C. 20523

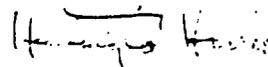
Dear Mr. Bennet:

The Advisory Committee's meeting in Los Angeles on September 18 and 19 gave most of its attention to the Report of the Presidential Commission on World Hunger, particularly to the recommendations affecting voluntary agencies. The Committee and the leaders of the voluntary agencies were impressed with the need for urgent and dramatic action to attack hunger and poverty, and they wished to communicate this sense of urgency directly to the President.

I am transmitting to you a letter written by the Committee, and request that you deliver it to the President on the Committee's behalf.

A full report on the Committee's meeting will be issued soon, and will be made available to you promptly. Meanwhile, we hope that you are making plans to be with us on December 9 and 10 when we meet in Washington.

Sincerely yours,



Huntington Harris
Chairman

Enclosure;
Letter to the President

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

October 27, 1980

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The Agency for International Development's Advisory Committee on Voluntary Foreign Aid has met on a number of occasions with leaders of private voluntary organizations in the United States which are engaged in a wide variety of development activities in many countries around the world. Several of our meetings have focused on the problems of food and hunger. A recent two-day meeting in Los Angeles of the Advisory Committee and leaders of the voluntary agencies was most stimulating, but equally disturbing. We reviewed the Report of the Presidential Commission on World Hunger as it relates to activities of voluntary agencies abroad.

This Advisory Committee and the leaders of the voluntary agencies urge that the United States undertake renewed and increased leadership in developing affirmative and daring new approaches to the solution of the world hunger problem. Current efforts are not commensurate with the massive need. Without adequate amounts and kinds of food, people will not be healthy and productive and children will not achieve their potentials in physical and intellectual growth. Where food and nutrition are deficient, infant mortality rates are high, life spans are brief, living standards are low, physical energy of workers is lacking, education lags, and the prospects for developing the optimum capabilities of women, children and men are dim. Without good nutrition, economic and social development will be frustrated, and development programs will have limited effectiveness.

The voluntary agencies and the Advisory Committee agree with the urgency reflected in the report of your Commission. We are especially concerned because world population will increase more than 50 percent in the last two decades of the 20th Century. Plans for food production, effective food distribution and efficient food utilization are not now geared to meeting the problems which will accompany this very large increase in world population, let alone eliminate the starvation and malnutrition that affects today's population. We believe that the people in this country and in other developed nations can be educated, guided and led in the directions of vigorous support of constructive programs to deal with world hunger.

If world leaders, such as yourself, issue a positive challenge, the effect in the U.S. could be to counteract the increasing tendency to turn inward to concern about problems at home rather than around the world. Frustrations over the lack of progress in development efforts in the past should not lead to growing protectionism and less trade with the developing countries. It must be recognized that realistic worries about energy shortages, lowered productivity and persistent inflation will not be resolved except in a world context. There are now many impressive success stories among the less developed countries (LDCs), and it is increasingly evident that their development will help solve our economic problems. An aggressive and adequate food program is essential for their economic growth.

Whatever the problems and obstacles, we believe our country must do its part to help meet the challenge of world hunger, not only in its overt manifestations, but in its structural underpinnings. Otherwise, the environment for peace and meaningful human rights will worsen rather than improve. We must move quickly—with both short- and long-term perspectives in mind—toward helping to increase food production in food-deficit countries and improve self-reliance. These countries cannot and should not remain and become increasingly dependent on U.S. (and other) food exports and donations.

The United States has an opportunity to exercise leadership in this critical area, rather than continuing the current trend to lag behind other donor countries and respond belatedly and inadequately. To restore the status and respect for the United States among the family of nations, efforts to improve the quality of life of the world's poor are as important as national defense.

The following issues define some of the actions needed:

1. Hunger epitomizes a wide range of development issues and requires a broad-scale attack on multiple fronts. While general efforts to reduce poverty are crucial, as indicated in the Commission Report, a series of discrete action steps can produce direct nutritional improvement.
2. The hunger problem requires increased food production in the LDCs so that they can become more independent and self-sufficient.
3. American food production plans and policies should be geared to export opportunities and interim relief needs abroad. Increased exports to poor countries from the United States and other food surplus nations should be focused on emergency needs because the volumes available for export cannot possibly be large enough to meet the growing needs of food-deficient nations. The PL 480 program should be related primarily to the desires and requirements of LDCs, rather than to the disposal of American surpluses.

10/27

Food assistance can be used to increase agricultural production in the IDCs and food-for-work in community development projects.

4. The United States and other developed nations must speed the transfer of appropriate technology to food-deficient nations to help them bring added land into cultivation, increase output per acre, rationalize the use of land and other scarce resources, increase the use of fertilizer, improve the availability and allocation of water, and improve transportation and other access essential for the distribution of inputs, the marketing and processing of food products.

5. The tremendous losses due to wastage in storage, consumption by vermin and insects, and deterioration due to climate can be dramatically reduced by appropriate technology.

6. Nutritional status depends not only on the availability of food, but on many factors that are even more amenable to direct action, such as improved preparation of food; prevention of tremendous energy and protein loss due to infections; continued breast feeding; better balance, reduced bulkiness and better digestibility of food supplements for infants; improved timing and balance in feeding practices for the whole family; and use of natural foods in the environment not now consumed because of taboos and cultural constraints.

7. Increased food reserves must be adequately stored and distributed to cope with weather fluctuations and other disaster-related crop failures.

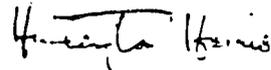
8. Voluntary agencies can play a critical role in many of the essential inputs in improving food production because they can communicate directly and effectively with rural families and can achieve greater personal involvement of indigenous people in improving agricultural output and better utilization of food.

9. Voluntary agencies are especially effective in promoting community participation and education--an area that is increasingly being recognized as critical in all program activities.

10. Far more attention should be given to the Commission's report by the Administration, by Congress and by the public. Important contributions toward this educational effort can be made by voluntary agencies because of the millions of Americans associated with these organizations or contributing to them.

We submit this expression of concern and urge that the Administration act on the recommendations of your Commission with all haste.

Respectfully,



Huntington Harris
Chairman,

on behalf of the Advisory Committee
on Voluntary Foreign Aid, whose
members are:

Mrs. Marjorie Craig Benton
Ms. Martha Emery
The Most Reverend Patrick F. Flores
Dr. Adelaide C. Gulliver
Miss Margaret Hickey
Mr. Clifford R. Hope, Jr.
Mr. Keiji Kawakami
Dr. Robert J. Marshall
Mr. Robert R. Nathan
Dr. Carl E. Taylor
The Right Reverend John T. Walker
Ms. Michaela Walsh.