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AGENCY FOR INTERNATIONAL DEVELOPMENT

MANAGEMENT IMPROVEMENT PROGRAM

1975 OBJECTIVES

AID MANAGEMENT IMPROVEMENT PROGRAM
1975 OBJECTIVES

- I. Responses to New Legislative Mandates and Program Initiatives
 - A. To assure that AID's operations are responding to the Congressional Mandate
 - B. Expanding AID's Disaster Relief capabilities
 - C. Expanded role of PVO's in AID programs

- II. Accelerated Program Execution
 - A. Accelerated submission and review of Development Assistance Programs (DAPs)
 - B. Accelerated submission, review and approval of project proposals and synchronization with the Congressional Presentation
 - C. Accelerated obligations

- III. Improved Resources Management
 - A. Improved project management
 - B. Improvements in AID program design and evaluation systems
 - C. Strengthened system for integrating research and operating programs

- IV. More Effective Organization, Administration, and Personnel Management
 - A. Achievement of further manpower reductions in AID/W
 - B. Comprehensive management review of the Participant Training function
 - C. Development of plan to meet Agency personnel goals, with associated action plans and evaluation system
 - D. Achieve proper grade and salary levels for all positions.
 - E. Enhance opportunities for career planning and development
 - F. Realignment of AID/W space

V. Modernization of AID's Management Systems

- A. Expanded use of ADP capabilities
- B. Improvement of contracting procedures, policies, and services
- C. Development of Food for Peace management information system
- D. Improve the Agency's information acquisition, storage and retrieval services
- E. Improvement of Agency planning, budgeting, implementation and management information systems
 - 1. Development of improved Agency planning and budgeting processes
 - 2. Development of revised project design, review and approval system
 - 3. Development of Agency project implementation system
 - 4. Development of management information system
 - (a) New activity numbering and classification system for AID activities
 - (b) Country Program Data Bank
 - (c) Revised project reporting system

AID Management Improvement Program
1975 Objectives

Subject: RESPONSES TO NEW LEGISLATIVE MANDATES AND PROGRAM INITIATIVES

Objective: I.A. To assure that AID's operations are responding to the Congressional Mandate

Background: The Congressional Mandate given AID in the FY 1973 Foreign Assistance Act is now one year old. We must further improve our implementation of the Mandate and provide a definitive response to the Congress on the status of that implementation as part of our FY 1976 Congressional Presentation.

Specific

Target(s):

1. Assurance that AID's operations are responding to the Mandate.
2. Development and installation of a system which will provide reliable, supporting information and data to the Congress and the U.S. public.

Achievement

Sought: Agency operations which are fully responsive to the Congressional Mandate.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
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N/A

Target

Date(s): As stated below

Action

Officer(s): A. Shokow (PPC)

Status: 1/29/75: Preliminary Task Force reports due to A/AID as follows:

- a. preliminary working definitions of essential Mandate concepts (1/30/75);
- b. exam. of implementation status in each relevant sector activity (1/30/75);
- c. analysis of info. system and required data to demonstrate implementation progress (2/12/75);
- d. exam. of AID training programs to give employees understanding of Mandate (2/12/75)
- e. preliminary master plan and schedule for new system (2/6/75).

AID Management Improvement Program
1975 Objectives

Subject: RESPONSES TO NEW LEGISLATIVE MANDATES AND PROGRAM INITIATIVES

Objective: I.B. Expanding AID's Disaster Relief capabilities

Background: Internal assessments of the present AID Disaster Relief activity -- based on 11 years experience of this Agency -- have indicated several key areas which require special attention to further strengthen AID's role in carrying out this responsibility. In early January, 1975, the Administrator announced a comprehensive Action Plan to enhance AID's capabilities to coordinate the U.S. response to disasters.

Specific

- Target(s):
1. Designation of the Administrator as the President's Special Coordinator for International Disaster Relief.
 2. Development of a comprehensive plan for submission to the Administrator on strengthening the U.S. capacity to respond to international disasters.
 3. Preparation of report to the President on actions taken within Executive Branch, including legislative proposals, inter-agency coordination, and relations with PVO's and international organizations.

Achievement

Sought: Enhancement of U.S. disaster relief response capability, including related area of disaster preparedness, rehabilitation and reconstruction.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

<u>Target</u>	<u>Action</u>
<u>Date(s):</u> #2 - ASAP	<u>Officer(s):</u> #2 D. Bliss (ES)
#3 - To be determined	#3 H. Crowley (PHA)

Status:

2/20/75 Proposed plan submitted to A/AID for consideration (target #2)

AID Management Improvement Program
1975 Objectives

Subject: RESPONSES TO NEW LEGISLATIVE MANDATES AND PROGRAM INITIATIVES

Objective: I.C. Expanded role of PVO's in AID programs

Background: While AID has maintained a productive relationship with the Private Voluntary Organizations for many years, their role was generally thought of as humanitarian and somewhat peripheral to development assistance. However, some PVOs have increasingly participated in foreign development assistance activities. In 1973 the Congress stated that U.S. development assistance "... should be carried out to the maximum extent possible through the private sector..." Accordingly, AID has attempted to strengthen both its ties to the PVO's and their ability to carry out assistance programs with AID support in the form of grants and/or contracts.

Specific

- Target(s):
1. Compilation of data on current funding of PVO programs.
 2. Development of a permanent information retrieval system for future reporting of PVO activities.
 3. Provision of grants from the Administrator's special set-aside to PVO's to strengthen their capacities for planning, design, management, and evaluation of development programs and projects.
 4. Convening of workshops by AID with PVO's to expand the understanding of each others' efforts in reaching the poorest majority, the nature of the task, and the solutions which appear most applicable.
 5. Development and issuance of improved procedures for the involvement of PVO's in the programming and administration of P.L. 480 Title II projects.

Achievement

Sought: More effective collaboration on a permanent and systematic basis between PVO's and AID in order to interrelate and enhance the effectiveness of projects each carries out in the LDC's.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
Target #3	Dollars granted	\$5 million
Target #4	Workshops held	4

<u>Target</u>	<u>Action</u>
<u>Date(s):</u> #1-4 - June 30, 1975	<u>Officer(s):</u> #1-4 H.Crowley (PHA)
#5 - August 31, 1975	#5 A.Mair (FFP)

Status:

AID Management Improvement Program
1975 Objectives

Subject: ACCELERATED PROGRAM EXECUTION

Objective: II.A. Accelerated submission and review of Development Assistance Programs (DAP's)

Background: In FY 73, AID instituted a new multi-year planning/program document designed to fit together country and AID priorities in an action plan, the DAP. Submission of DAP's for all major AID countries was anticipated by Dec. 31, 1974, but by July, 1974, it became evident that the effort was falling behind schedule. Accordingly, a schedule was established by the Deputy Administrator to meet the December 31st deadline.

Specific

- Target(s):
1. Submission of all DAP's or DAP-substitutes by December 31, 1974 from Missions in all countries receiving AID assistance.
 2. Review and approval of all DAPs and DAP-substitutes by March 31, 1975.
 3. All DAPs including required sector assessments submitted and reviewed by December 31, 1975.

Achievement

Sought: More effective articulation and timely review and approval of Agency multi-year country assistance strategies.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	Target #1 No. of DAPs received	44
	Target #2 No. of DAPs reviewed and approved	44
	Target #3 No. of countries meeting all DAP requirements	44

<u>Target</u>	<u>Action</u>
<u>Date(s):</u> #1. December 31, 1974	<u>Officer(s):</u> A. Shakow (PPC)
#2. March 31, 1975	
#3. December 31, 1975	

Status:

1/31/75 44 DAPs Received
26 DAPs Reviewed

AID Management Improvement Program
1975 Objectives

Subject: ACCELERATED PROGRAM EXECUTION

Objective: II.B. Accelerated submission, review and approval of proposed projects and synchronization with the Congressional Presentation

Background: One reason for the generally late commitment of funds has been that the development, review and approval of new activities has taken place during the operational year. In order to have projects ready for implementation earlier in the year, the Deputy Administrator has directed that all FY 1976 loan and grant proposals be prepared and submitted for consideration by AID/W in the development of the annual Congressional Presentation.

Specific Target(s):

1. Intensive Review Requests for all FY 76 loans to be submitted to AID/W by January 31, 1975.
2. Preliminary Project Proposals for all new FY 76 grants to be submitted to AID/W no later than January 31, 1975.
3. Bureau reviews of all FY 76 IRRs and PPPs and instructions to USAIDs completed by February 28, 1975.

Achievement Sought: Early review of proposed activities so that subsequent project development can be completed and projects ready for funding early in the fiscal year; and a closer coordination between the development of assistance activities and the Congressional actions necessary to provide funding for them.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
Target #1	No. of IRRs submitted	100%
Target #2	No. of PPPs submitted	100%
Target #3	No. of IRRs and PPPs reviewed	100%

<u>Target Date(s):</u>	<u>Action Officer(s):</u>
#1. January 31, 1975	A. Shakow (PPC)
#2. January 31, 1975	
#3. February 28, 1975	

Status:

		<u>ACHIEVEMENT</u>
2/14/75	#1 & 3 - 68 IRRs submitted and reviewed; 5 not submitted and reviewed	93%
	#2 & 3 - 111 PPPs submitted and reviewed; 19 not submitted and reviewed	86%

AID Management Improvement Program
1975 Objectives

Subject: ACCELERATED PROGRAM EXECUTION

Objective: II.C. Accelerated obligations

Background: Because of delayed submissions of program approval documentation, the review and approval process is delayed and the subsequent obligation of funds for approved loan and grant projects tends to be concentrated in the last month or two of the fiscal year. Accordingly, the contracting process and other initial implementation steps are necessarily pursued under pressure during the "June rush".

Specific

- Target(s):
1. Submission of all FY 1975 IRR's by end of first half of fiscal year.
 2. 80% of all FY 1975 loans authorized by 5/31/75.
 3. Submission of all FY 1975 PROP's by 4/15/75.
 4. 80% of all ongoing grant projects funded by 4/31/75.

Achievement Sought: Substantially earlier obligation of project funds in order to assure that initial implementing actions, e.g., contracting actions, are done systematically and deliberately.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
#1	IRR's submitted	100%
#2	Loans authorized	80%
#3	PROP's submitted	100%
#4	Grant funds obligated	80%

Target Date(s): See above

Action Officer(s): A. Shakow (PPC)

Status:

		<u>ACHIEVEMENT</u>
2/14/75	#1. 64 IRR's submitted and reviewed, 6 late.	92%
	#2. \$160.82 million out of C.P. level of \$681 million.	24%*
	#3. 198 to be submitted; 6 late (projected to 4/15).	
	#4. 141 million of DG of a C.P. request of \$350.9 million.	40%*

*Funding limitations under Continuing Resolution limited authorizations.

AID Management Improvement Program
1975 Objectives

Subject: IMPROVED RESOURCES MANAGEMENT

Objective: III.A. Improved Project Management

Background:

AID has increasingly moved to a collaborative style of assistance which emphasizes host country planning and implementation of development projects. Concurrently, AID is relying on U.S. educational, private, and voluntary institutions to carry out these projects. These new styles of operation require changes in methods of project management to arrangements under which host country and intermediary staffs plan, implement, and manage project operations while AID retains the monitoring and oversight functions necessary to meet its responsibilities for the prudent management of U.S. public funds.

Specific

Target(s):

1. Development and issuance of guidance on alternative forms of Mission organization which might be employed to institutionalize project management in reflection of differing country/program situations.
2. Development and issuance of guidance on project management techniques, tools and responsibilities.
3. Progressive conversion of existing Project Manager positions to new job categories (e.g., Development Officers) to reflect the new operation style.
4. Development of training programs for AID, host country, and intermediary personnel on project management functions and techniques.

Achievement

Sought: Better management of AID financed projects which relies primarily on host country and U.S. intermediary staff for project operations while assuring proper oversight by AID personnel.

Quantification:
(if applicable):

Performance Indicator(s)

Achievement Target(s)

N/A

Target

Date(s):

#1 - 9/30/75
#2 - To be determined
#3 - 12/31/75

#4 - 6/30/75

Action

Officer(s):

#1, #2 - W.Wild (SER/MP)
#3, #4 - H. B. Hopkins
(SER/PM)

Status:

AID Management Improvement Program
1975 Objectives

Subject: IMPROVED RESOURCES MANAGEMENT

Objective: III.B. Improvements in AID program design and evaluation systems

Background: The importance of rigorous design and evaluation of projects and programs is increasingly recognized in AID, as is the interdependence of these two processes. The greater complexity of development activities, formulated in response to the Congressional Mandate, places a heavy demand on the design and evaluation skills of AID staff and on the Agency's existing methodology. Moreover, the increasing emphasis on collaborative style requires a substantial Agency effort to improve the design and evaluation capabilities of the host countries. A workplan for improving Agency design and evaluation systems was approved by DA/AID in October, 1974.

- Specific Target(s):
1. Strengthened evaluation planning, and improved compliance with these plans and with Agency standards;
 2. Inventory of training requirements worldwide, followed by mobilization of necessary additional training resources and expansion of training programs in AID/W and field;
 3. Extension of design and evaluation system to include all forms of project assistance;
 4. Extension of system to include above-project-level assistance (e.g., sectors)
 5. Exploration of means to improve use of strategy documents (DAPs, etc.) for design (e.g., target setting) and evaluation at sectoral and program level;
 6. Inventory of efforts to develop performance criteria and indicators, and systematic coordination of these efforts; and
 7. Increased availability of contractual services (IQCs) in evaluation and extension of coverage to include design.

Achievement Sought: Expansion of the contribution of design and evaluation processes to the development and implementation of Agency program activities.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

N/A

<u>Target Date(s):</u>	#1 - As appropriate	#2 - 3/1/75 (Inventory)	#3 - 5/1/75	#4 - 7/1/75	#5 - 8/1/75	#6 - 3/1/75 (Inventory)	#7 - 4/1/75	<u>Action Officer(s):</u>
								H. Turner (PPC)

Status:

AID Management Improvement Program
1975 Objectives

Subject: IMPROVED RESOURCES MANAGEMENT

Objective: III.C. Strengthened system for integrating research and operating programs

Background: The magnitude of the current request for financial resources for the research program emphasizes the need for a planning and justification process which enhances the relevance of research activities to AID programs and LDC needs and abilities, particularly in the areas of emphasis. The need for such a process was the conclusion of the SOG meeting of July 27, 1974. A Task Force was established to study the current process and identify actions necessary to improve it.

Specific

- Target(s):
1. Review of the Agency's current processes for:
 - developing and articulating the research strategy
 - identifying, designing, planning, implementing and evaluating research projects;
 - involving LDC's, Missions, Geographic and other Bureaus, and U.S. research community in these processes to determine necessary changes.
 2. Development of recommendations derived from the review designed to encourage and facilitate the integration of research and operating programs.

Achievement

Sought: A research program which assures (a) the relevance of research efforts to the Agency's overall program objectives and goals; (b) the institution building needs in the LDC's; and (c) the capabilities and capacities of the LDC's to utilize the planned outputs.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

Target

Date(s): June 30, 1975

Action

Officer(s): C.H. Rees
(NESA/SA)

Status:

2/18/75

1. A Scope of Work, prepared by SER/MP was approved by DA/AID and distributed to SOG members.
2. The Task Force chairman was designated January 14, the Task Force formed, and background materials provided each member; because of CP and DAP reviews, first Task Force meeting deferred until March 11.

AID Management Improvement Program
1975 Objectives

Subject: MORE EFFECTIVE ORGANIZATION, ADMINISTRATION, AND PERSONNEL MANAGEMENT

Objective: IV. A. Achievement of further manpower reductions in AID/W

Background: The Deputy Administrator, while testifying on the FY 75 appropriation request, stated that the number of AID/W personnel appeared excessive. He informed the Committees of the task forces which surveyed AID/W offices to identify excess positions and reviewed training, including retraining existing personnel as Development Officers needed for new program initiatives mandated by the Congress. The Deputy Administrator stated that he would report to the Congress the results of AID's efforts to reduce personnel.

- Specific Target(s):
1. Identification and elimination of surplus vacant positions, and identification of surplus filled positions for elimination by Reduction-in-force.
 2. Establishment of new employment limitations for individual bureaus and offices in Washington, as well as the Complement, for FY 1975 and FY 1976.
 3. Initiation of Reductions-in-force to meet the lower Agency staffing levels.
 - RIF - Complement: Week of 11/11/74
 - RIF - Foreign Service: Week of 2/24/75
 - RIF - Public Safety Program: Week of 3/3/75
 - RIF - Civil Service: Week of 4/28/75

Achievement Sought: Correction of imbalance between Washington and overseas staffs, and reduction of Washington staffing levels to those required for current Agency operations.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	Number of personnel reduced in AID/W.	Reduction to 2,600 by 6/75

<u>Target Date(s):</u>	<u>Action Officer(s):</u>
June 30, 1975	W. Parks (Acting AA/SER)

- Status:
- 9/30/74 - Vacant surplus positions eliminated; filled surplus positions identified.
 - 9/6/74 - Approval of FY 1975 and FY 1976 manpower levels by Deputy Administrator
 - 12/31/74 - Phase one of Reduction-in-force of Complement completed
 - 2/11/75 - Letters issued on adverse actions resulting from classification survey.
 - 2/28/75 - Notices issued for Reduction-in-force, Foreign Service

AID Management Improvement Program
1975 Objectives

Subject: MORE EFFECTIVE ORGANIZATION, ADMINISTRATION, AND PERSONNEL MANAGEMENT

Objective: IV. B. Comprehensive management review of Participant Training function

Background: In recent years, the Participant Training program has changed in staffing and methodology. Mission training officers and AID/W backstop staff have been reduced. Nevertheless, there remains a significant function which cuts across sector lines and is a major part of the Agency's programs. Moreover, various aspects of the function are performed in AID/W outside of the primary responsible organization, SER/IT.

Specific

Target(s): Completion of an in-depth management study of the participant training program which will cover its role, functions, workload and resource requirements, relationships, and organizational structure and location.

Achievement

Sought: An effective, functional participant training program responsive to current and future program requirements.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

<u>Target</u> <u>Date(s):</u>	<u>Action</u> <u>Officer(s):</u>
August 1975	W. Parks (Acting AA/SER)

Status: 2/14/75 Scope of work in progress

AID Management Improvement Program
1975 Objectives

Subject: MORE EFFECTIVE ORGANIZATION, ADMINISTRATION AND PERSONNEL MANAGEMENT

Objective: IV.C. Development of plan to meet Agency personnel goals, with associated action plans and evaluation system

Background: A consultant's management review of SER/PM in September, 1974 confirmed that office's views as to a number of areas that required attention if personnel services to the Agency were to be improved. One area of concern relates to the need to formulate action programs based upon generally accepted and established goals and objectives, and against which the effectiveness of the total personnel program could be evaluated.

Specific Target(s):

1. The development of specific personnel management goals and objectives to serve as a base for personnel program planning and implementation, along with action plans to achieve those goals and objectives. These goals will cover:
 - a. personnel costs and systems improvements for lowering them;
 - b. awareness and effectiveness of managers in carrying out personnel responsibilities;
 - c. methods for improving communications to employees and employee organizations regarding management plans and actions affecting conditions of employment and security;
 - d. roles of Foreign Service and General Schedule personnel in meeting present and emerging manpower needs, and action needed to enhance compatibility of respective personnel systems;
 - e. equal opportunity provisions in all personnel policies, practices and operations; and (Cont'd on next page)

Achievement

Sought: Well planned and effective Agency personnel programs designed to meet specific Agency needs.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

Target

Date(s): #1 - 1 April 1975
#2 - 1 July 1975

Action

Officer(s): H. B. Hopkins (SER/PM)

Status: 1/30/75 SER/PM currently developing goals and objectives for presentation to the SOG; following DA/AID approval, action plans will be prepared.

Specific Targets (Cont'd)

- f. establishment and maintenance of a personnel evaluation program by which each bureau and office manager assesses his progress towards achieving Agency personnel goals.
2. The establishment and implementation of an Agency personnel management evaluation program to measure the effectiveness with which the goals and objectives have been achieved. The program design will include:
- a. development of evaluation criteria;
 - b. development of appropriate evaluation procedures;
 - c. definition of role of bureau and office managers in personnel management evaluation.

AID Management Improvement Program
1975 Objectives

Subject: MORE EFFECTIVE ORGANIZATION, ADMINISTRATION, AND PERSONNEL MANAGEMENT

Objective: IV.D. Achieve proper grade and salary levels for all positions

Background: The Congress, GAO, and Civil Service Commission have all, at one time or another, been critical of the Agency's average grade levels -- both for General Schedule and Foreign Service personnel. To assure that the Agency is operating economically and within established personnel standards, actions to assure appropriate grade structure and salary levels are essential.

Specific Target(s): Achieve appropriate grade and salary levels by effective, continuing position management through:

- a. a three-year cyclical classification review of all GS positions;
- b. a similar review of all Foreign Service positions in AID/W and overseas; and
- c. a close, controlled review of all proposed organization and position actions to assure that grade levels are consistent with the tenets of sound personnel management.

Achievement Sought: Maintenance of the Agency's average grade and salary at levels consistent with the standards for the work performed by Agency personnel.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

<u>Target Date(s):</u>	<u>Action Officer(s):</u>
To be determined	H.B.Hopkins (SER/PM)

Status:

7/15/74	Moratorium placed on promotions in higher FS grades for remainder of 1974 to achieve greater balance between Agency requirements and the grade structure.
10/8/74	DA/AID authorized SER/PM and SER/MP to implement procedures to control vacancies overseas and in AID/W.
1/28/75	DA/AID issued memorandum outlining program to maintain proper Agency staffing level and grade structure. (Cont'd next page)

Status: (Cont'd)

1/31/75 GS classification survey in AID/W completed; corrective action to be taken in February and March, 1975; also, review of FS positions completed.

AID Management Improvement Program
1975 Objectives

Subject: MORE EFFECTIVE ORGANIZATION, ADMINISTRATION AND PERSONNEL MANAGEMENT

Objective: IV.E. Enhance opportunities for career planning and development.

Background: Although the need for employee training always exists, recent developments such as changes in AID program techniques, the increased outflow of experienced personnel through retirement, and new Federal programs such as minority placement and labor-management relations have pointed the way to new and different requirements in this area.

Specific

- Target(s):
1. Develop and introduce course designed for the training and development of generalist personnel (e.g. Development Officers) with intersectorial skills and capabilities.
 2. Develop and introduce training courses necessary to allow mobility from the Foreign Service Staff to the Foreign Service Reserve Corps.
 3. Develop and introduce training courses for supervisors in new disciplines and developments, such as EEO, labor relations, merit promotion, etc.
 4. Develop and introduce a system and appropriate courses designed to establish/improve career development for secretaries in AID.
 5. Develop and introduce a system and appropriate courses for career development of both specialists and generalists.

Achievement

Sought: Increased staff competence at all levels -- both General Schedule and Foreign Service Personnel.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

N/A

<u>Target</u>	<u>Action</u>
<u>Date(s):</u> Targets 1, 2, & 3 - 6/30/75	<u>Officer(s):</u> H. B. Hopkins (SER/PM)
Targets 4 & 5 - 9/30/75	

Status:

8/26/74 DA/AID approved generalist retraining program; plans being made for first generalist development course in Spring, 1975.

1/31/75 FSS selections for first FSR conversion program in process. Revised supervisory training course now in final stages of development.

Sub-SOC Task Force on Secretarial Career Development established; final report due 2/75. (Cont'd on next page)

Status cont'd: Study on career needs by advisory committee on training initiated;
final report due 3/75.

AID Management Improvement Program
1975 Objectives

Subject: MORE EFFECTIVE ORGANIZATION, ADMINISTRATION, AND PERSONNEL MANAGEMENT

Objective: IV.F. Realignment of AID/W space

Background: Operational efficiency in AID/W is seriously hampered and costs inflated by the physical dispersion of functions and personnel among 10 buildings in the District of Columbia and Northern Virginia. The problem is exacerbated by current manpower reductions which cause limited retrenchment within individual organizational units and space compression within the various buildings, rather than clearing out major space holdings or entire buildings. Since 1972, hopes for a single building centered on Columbia Plaza space, but that space has been assigned to other agencies by GSA and appears to be unavailable to AID for the foreseeable future. Estimated savings by consolidating AID/W in one building is \$3 million annually.

- Specific Target(s):
1. An interim consolidation of space which would result in a:
 - a. reduction and release of 100,000 square feet from present holdings;
 - b. reduction of three locations from the present 10; and
 - c. savings of approximately \$1 million annually.
 2. Final resolution of the question of the availability of Columbia Plaza space and, if negative, development of alternative proposals for the consolidation of AID/W space.

Achievement Sought: Increase in operational efficiency in AID/W, and reduction of costs related to (a) shuttle bus service, (b) guard services, (c) mail handling, and (d) loss of staff time spent commuting between buildings.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
Target #1	a. - Reduction of space - sq. ft.	100,000
	b. - Reduction of no. of bldgs.	3
	c. - Savings in dollars	1 Million

<u>Target Date(s):</u>	<u>Action</u>
Target #1 - 12/31/75	<u>Officer(s):</u> S. Thornburg (SER/MO)
Target #2 - 9/31/75	

Status:

AID Management Improvement Program
1975 Objectives

Subject: MODERNIZATION OF AID's MANAGEMENT SYSTEMS

Objective: V.A. Expanded use of ADP capabilities

Background: In recent years, the Agency's ADP installation has improved its service level and upgraded its equipment. However, there has been insufficient coordination with Agency managers to identify areas where ADP might be used to support operational and analytical functions. Accordingly, several efforts have been undertaken to expand management appreciation of ADP capabilities, provide more timely and accurate data by use of remote terminals, and apply or expand computerization to key program and operational areas.

- Specific Target(s):
1. Seminar on ADP capabilities for SOG members and 2 for office directors.
 2. Installation of terminals in LA, AFR, EA, NESA, PPC, SER/CM, and SER/FM.
 3. Food for Peace system operational (see Objective V.C.).
 4. Implementation of Disaster Relief system component of historical analysis - data base and statistical analysis. (Other system components of procurement and logistics, country profile, and operations are planned for FY 1976.)
 5. Implementation of the Project Analysis and Reporting Information System (PARIS).
 6. Contract inventory and status system - initial design. (Programming and implementation scheduled for FY 1976.)

Achievement Sought: More efficient and timely management of programs and support operations by means of the selected application of automatic data processing techniques.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

<u>Target</u>	<u>Date(s):</u>	<u>Action</u>
#1 - 6/75	#4 - 3/31/75	<u>Officer(s):</u> M. Brown (SER/DM) In collaboration with major client offices affected.
#2 - 7/75	#5 - 2/28/75	
#3 - See Obj. V.C.	#6 - 6/1/75	

Status:

AID Management Improvement Program
1975 Objectives

Subject: MODERNIZATION OF AID'S MANAGEMENT SYSTEMS

Objective: V.B. Improvement of contracting procedures, policies and services

Background: Increasing reliance on the use of intermediaries for the development, design and implementation of AID programs has resulted in much greater emphasis on timely and well conceived contracting. Continued improvement in the processes of soliciting proposals and of negotiating, awarding, and administering contracts/grants/PASA's requires the use of updated methods, qualified staffs, and program personnel well informed on contracting procedures. A SOG Task Force was organized to examine these areas and submitted its report on 1/14/75. Its recommendations were discussed at the SOG meetings of 1/23 and 2/6/75, and are presently under review by senior management.

- Specific Target(s):
1. Provide better "quick response" for short term contractor services by establishing additional Indefinite Quantity Contracts
 2. Improve training in contracting procedures (e.g., writing scopes of work for non-contract specialists, both written guidance and training courses)
 3. Arrange for training of contract specialists in program requirements through field assignments, TDY, etc.
 4. Determine need for assigning additional contract specialists overseas in missions and regional offices, and the location of such assignments.
 5. Implement new guidance on selection of educational institutions, international research centers, and other non-profit institutions for AID contract/grant work.
 6. Implement SOG recommendations to improve participation of minorities and women in work under AID contracts.
 7. Issue new policy on contractor conflict of interest under both AID direct and host country contracts.
 8. Improve system for reporting contract status to DA/AID.

Achievement Sought: Policies, procedures and systems which will permit the Agency to respond effectively and efficiently to changing program needs in context of new operational patterns such as collaborative projects.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u> N/A	<u>Achievement Target(s)</u>
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<u>Target Date(s):</u>	#1 - April, 1975 #8 - June, 1975 #2-7 - to be determined	<u>Action Officer(s):</u> H. Dwelley (SER/CM)
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Status: 1/31/75 - 1, 2, and 8 are in process; others are pending final decision by DA/AID. Remaining target dates will be set in accord with those decisions.

AID Management Improvement Program
1975 Objectives

Subject: MODERNIZATION OF AID'S MANAGEMENT SYSTEMS

Objective: V.C. Development of Food for Peace management information system

Background: Effective management of the Food for Peace Title II Program requires an expanded information system. The systems description was approved July, 1974. A contract was signed with the Logical Technical Services Corporation to design modules and make systems operational by August, 1975.

Specific

Target(s): Operational system which includes:

- a. computerized budgeting system with capacity to revise, renew, or analyze budget data;
- b. maintenance of status information on all Title II programs by country, commodity, recipients, and program type;
- c. maintenance of logistical information, including USDA procurement, shipping, receipt, and distribution; and
- d. coordination between bilateral and international disaster relief efforts and improved nutritional evaluation of regular feeding programs.

Achievement

Sought: An information system which will provide objective decision making tools as well as quick response information.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
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N/A

<u>Target</u> <u>Date(s):</u>	<u>Action</u> <u>Officer(s):</u>
September 30, 1975	A. Mair (FFP) M. Brown (SER/DM)

Status:

AID Management Improvement Program
1975 Objectives

Subject: MODERNIZATION OF AID'S MANAGEMENT SYSTEMS

Objective: V.D. Improve the Agency's information acquisition, storage, and retrieval services

Background:

The Deputy Administrator has identified informational services as a problem area, particularly those of information acquisition and storage and the retrieval of data for use in program activities. On November 22, 1974, he approved a preliminary scope of work and the establishment of a task force to explore the feasibility of various means to improve not only the quality, but also the quantity of information and related services.

Specific

Target(s):

A report making recommendations for an operational system which includes provision for:

- a. improved acquisition, storage and retrieval methods for documents relating to AID's program and management history;
- b. improved access to such material by user groups; and
- c. improved utilization of materials regarding Agency experience in current program planning and evaluation systems.

Achievement

Sought:

An informational services system which more fully meets the needs of Agency personnel in responding to the new legislative initiatives and to the growing inter-relationships of the international economic development community.

Quantification:
(if applicable):

Performance Indicator(s)

Achievement Target(s)

N/A

Target

Date(s):

April 15, 1975

Action

Officer(s):

C. Ide (OPA)

Status:

AID Management Improvement Program
1975 Objectives

Subject: MODERNIZATION OF AID's MANAGEMENT SYSTEMS

Objective: V.E.I. Development of improved Agency planning and budgeting processes

Background: Effective use of resources and response to the Congressional Mandate require better coordination between planning and budgeting processes and more focus on accomplishments, planned and actual. The new procedures will be based upon the PBAR concepts approved by the Deputy Administrator.

Specific

Target(s): Issuance of Planning and Budgeting handbook which will include:

- a. specific requirements for program plans to be prepared by field missions and AID/W bureaus and offices (DAP's and DASP's)
- b. a simplified annual budget submission for AID/W and the field, focused on program accomplishments in addition to input requirements; and
- c. a revised program cycle geared to the new Federal budget cycle and fiscal year.

Achievement

Sought: A coordinated planning/budgeting structure which permits management to compare planned and actual accomplishments with Agency and country-level objectives. Implementation of new system will largely begin with FY 1977 submissions.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

Target

Date(s): April, 1975

Action

Officer(s): A.Shakow/R.Nygard (PPC)

Status:

AID Management Improvement Program
1975 Objectives

Subject: MODERNIZATION OF AID'S MANAGEMENT SYSTEMS

Objective: V.E.2. Development of revised project design, review and approval system

Background: The existing project design, review and approval system is no longer adequate to meet present Agency planning requirements. It is out of cycle with the new Federal budget process which begins with FY 1977, and will not accomodate properly the objectives of better relating the planning of assistance rezources. The new system will be based upon the PBAR concepts approved by the Deputy Administrator.

Specific

Target(s): Development and implementation of a system promulgated in the new Project Assistance Handbook which:

- a. provides new project identification, review, approval and authorization documentation that integrates capital, technical and other modes of assistance, and which is modular in structure so as to minimize repetition from submission to submission; and
- b. establishes new procedures which integrate this system with the new budget process, including the new Federal budget cycle.

Achievement Sought: An operational system which integrates technical, capital, and other modes of assistance, is in cycle with the budget process, and helps improve the quality and responsiveness of projects vis-a-vis Congressional concerns and developing country needs in our sectors of concentration.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

<u>Target Date(s):</u>	<u>Action Officer(s):</u>
April, 1975	A.Handly/R.Berg (PPC)

Status:

AID Management Improvement Program
197^F Objectives

Subject: MODERNIZATION OF AID's MANAGEMENT SYSTEMS

Objective: V.E.3. Development of Agency project implementation system

Background: At present, AID maintains different sets of procedures and documentation for implementing approved projects. The PBAR Phase II report of 4 October, 1974, as approved by the Deputy Administrator, recommended the development of a uniform and simplified set of implementation procedures and documentation.

Specific

Target(s):

An operational system which includes:

- a. A uniform set of procedures and documentation for project implementation, eliminating unnecessary distinct procedures for loan and grant projects, field vs. AID/W-funded projects, and host country vs. AID implemented projects.
- b. An acceleration of processes for AID-financed projects after the project agreement is signed, including: the procurement of commodities and technical services, the training of participants, and the provision of PASA/RSSA personnel.

Achievement

Sought:

A unified, simplified implementation system which accelerates the implementation of AID projects

Quantification:
(if applicable):

Performance Indicator(s)

Achievement Target(s)

N/A

Target

Date(s): 30 June 1975

Action

Officer(s): J. Roush (PBAR)

Status:

1/31/75 PBAR reviewing existing implementation systems for preparation of scope of work for effort.

AID Management Improvement Program
1975 Objectives

Subject: MODERNIZATION OF AID'S MANAGEMENT SYSTEMS

Objective: V.E.4.(a) New activity numbering and classification system for AID activities (Management Information System)

Background: Currently, AID has separate systems for numbering different types of activities. As the Agency is moving towards a computerized system for information retrieval, a standard system for activity identification is required, particularly for the new appropriations structure. The PBAR Phase II report of 4 October, 1974, approved by the Deputy Administrator, calls for PBAR and PPC, in consultation with operating bureaus and SER/FM and SER/DM, to address this objective.

Specific Target(s): Design a new, uniform activity numbering and classification system which will permit computerized information retrieval and aggregation of dollars or number of activities, as necessary, for internal management or external (Congressional and public) purposes.

Achievement Sought: To increase availability of data, as required, by AID's top management for internal and external purposes with special emphasis on demonstrating AID's responsiveness to the Congressional Mandate.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

<u>Target Date(s):</u>	<u>Action Officer(s):</u>
30 June 1975	J. Roush (PBAR) R. Nygard (PPC)

Status: 1/31/75 PBAR and PPC are presently preparing a draft recommended system for circulation and comments to other affected offices.

AID Management Improvement Program
1975 Objectives

Subject: MODERNIZATION OF AID's MANAGEMENT SYSTEMS
Objective: V.E.4.(b) Country Program Data Bank (Management Information System)

Background:
Present procedures for storing and retrieving data on country programs are inadequate. The PBAR Phase II report of 4 October, 1974 recommended a data bank to contain accessible computerized data on country programs. This recommendation was approved in principle by the Deputy Administrator, and PBAR was requested to develop such a system with bureau input.

Specific Target(s): A computerized country program data bank containing information on country programs and with a system for feeding and retrieving data. Characteristics will include:

- a. on-line commencing with information on new project;
- b. primary input documents such as the PID, PRP, PP, and approval documents; and
- c. terminals to query the data bank available to AID top management and bureau management.

Achievement Sought: An information system which will provide management with better, uniform and more readily accessible data on country program; facilitate the AID/W review and approval of field submissions -- reducing Washington decision time; and provide exception reporting to flag delays in field submissions and AID/W action.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

<u>Target Date(s):</u>	<u>Action</u>
Systems requirements: 3/15/75	<u>Officer(s):</u> J. Roush (PBAR)
Operational system: 12/31/75	

Status:
1/31/75 Country Program Data Bank paper being finalized and circulated before presentation to SOG

AID Management Improvement Program
1975 Objectives

Subject: MODERNIZATION OF AID'S MANAGEMENT SYSTEMS
Objective: V.E.4.(c) Revised project reporting system (Management Information System)

Background: Present systems for reporting the status and progress of AID projects are not consistent and are basically financial input-oriented. Status reports must be more consistent, performance-oriented, and capable of flagging problems for management attention. In its Phase II report, PBAR proposed a project reporting system which was approved in principle by the Deputy Administrator.

- Specific Target(s):
1. Development and installation of Project Performance Tracking System (PPTS)-- which is largely performance, rather than financial-input oriented--for new projects.
 2. Improvement of Financial Information System as an integrated element of Management Information System.

Achievement Sought: A system which will provide specific data on project progress through agreed-upon measures of performance, expenditure projections, and exception reporting, and which will assist Mission managers as a "project useful" tool for project implementation. Also, it will further orient AID to performance measurement in place of input measurement.

<u>Quantification:</u> (if applicable):	<u>Performance Indicator(s)</u>	<u>Achievement Target(s)</u>
	N/A	

<u>Target Date(s):</u>	<u>Action Officer(s):</u>
For new projects: 6/30/75 For conversion of continuing projects: to be determined	J. Roush (PBAR) C. Christian (SER/FM)

Status: 1/31/75 PPTS concepts paper prepared and will shortly be distributed to bureaus and field for comment. Plans for field testing are in progress. The needs for financial information through the project design stage completed. Work is in progress for extending both PPTS and Financial Information System through project implementation stage.

A.I.D. MID-YEAR MANAGEMENT IMPROVEMENT REPORT

OUTLINE

SUMMARY

I. RESPONSES TO NEW LEGISLATIVE MANDATES AND PROGRAM INITIATIVES

Rural Poor

Disaster Relief

Reorganization of Sahel Effort

Women in Development

Private and Voluntary Organizations

Fertilizer Procurement and Research

II. ACCELERATED PROGRAM EXECUTION

Improvement and Acceleration of Mission Program Submissions

Accelerated Submission, Review and Approval of Proposed Projects and Synchronization with the Congressional Presentation

III. IMPROVED RESOURCES MANAGEMENT

Project Management Improvement

Improved Standards for the Administration of New Development Loans

Reduction of Undisbursed Balances in A. I. D. 's Loan Portfolio

Fixed-Amount Reimbursement

Integration of P. L. 480 Title II with Other A. I. D. Programs

A.I.D. MID-YEAR MANAGEMENT IMPROVEMENT REPORT

OUTLINE (cont'd)

IV. MORE EFFECTIVE ORGANIZATION AND PERSONNEL
MANAGEMENT

Geographic Bureau Realignment

Strengthened A.I.D. Missions

Reduced Employment Level in Washington

Classification Review of All Washington and Overseas Positions

Foreign Service Promotion Freeze

Reduction-in-Force

V. MODERNIZATION OF A. I. D. 'S MANAGEMENT SYSTEMS

Overhaul of Programming Systems

Operating Expense Concept

Streamlining Agency Directives

Information Management

A.I.D. MID-YEAR MANAGEMENT IMPROVEMENT REPORT

December 1974

SUMMARY

The Foreign Assistance Act of 1973 formulated several significant new initiatives in the character of the U.S. foreign assistance program:

- U.S. bilateral aid should increasingly utilize technical expertise, farm commodities and industrial goods in lieu of large-scale capital transfers to meet those problems which affect the lives of the majority of LDC populations.
- The critical problems are in the areas of: food production, rural development and nutrition; population planning and health; and education, public administration, and human resources development.
- United States cooperation in development should be carried out to the maximum extent possible through the private sector including those institutions which already have ties in the developing areas.
- Development planning must be the responsibility of each sovereign country. U.S. assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

A.I.D. has made significant progress in meeting the challenge of implementing these legislative mandates. Moreover, Agency management has broadened the scope of review beyond the policy and programming implications of these mandates to review the organizational structures, staffing characteristics, and systems for doing our work which have evolved over past years.

To facilitate and encourage broad participation in these reviews, the Administrator (May, 1974) established two mechanisms designed to enable the Agency's Senior Staff to systematically identify and resolve policy and management issues:

- the Administrator's Advisory Council (AAC) involving the Agency's top managers -- at the Assistant Administrator level -- directly in the formulation of Agency policies and approaches to U. S. foreign assistance.
- the Senior Operations Group (SOG) -- chaired by the Deputy Administrator and consisting of all Deputy Assistant Administrators and certain Office Directors -- to deal with A. I. D. 's general management policies and methods of operation required by both Congressional mandates and evolving conditions in the developing world.

The emphasis of the Administrator's Advisory Council is on policy formulation processes; the Senior Operations Group on operations and management.

Significant improvements in Agency operations and management during the last six months include:

- To assure maximum feasible response to the new initiatives legislated by the Congress, an analysis of both the policy and procedural issues involved has been completed and widely circulated to A. I. D. staff. Building on this work, a special task force on implementation of the Congressional Mandate is assessing the extent of A. I. D. 's compliance to date, preparing a master plan and schedule for completion of the specific tasks involved, and assuring continuous follow-up of all necessary actions.
- A newly established Rural Development Coordination Staff is now providing a central focus for Agency-wide efforts to diagnose LDC problems of the rural poor and to identify and design projects to address these problems.
- A. I. D. has taken major steps to strengthen the Agency's role in coordinating U. S. response to natural and other disasters abroad.
- Both the Washington and field organizations responsible for A. I. D. programs in the Sahel have been reorganized and strengthened to provide rapid response to drought emergency needs and an increased capacity to plan longer-term assistance efforts.

- The Agency has issued directives which require earlier development and review of projects and other activities, and which permit a more orderly review both in the field and AID/Washington by removing the end-of-year timing constraints that have previously existed.
- The Agency has achieved a significantly improved rate of implementation of projects following Washington approval.
- A. I. D. is improving the quality of project management during the project design, implementation, and evaluation phases through a series of briefings for all senior A. I. D. personnel; the issuance of directives to field organizations on the importance of project design and evaluation as tools of project management; and seminars and training programs to upgrade the skills of all A. I. D. personnel concerned with project management.
- As a result of a special review initiated by the Deputy Administrator, the implementation and disbursement (and where appropriate, the recovery of unused balances) of 249 loans with an undisbursed balance of \$876 million are being accelerated.
- The Agency has introduced and is encouraging Mission use of a new fixed-amount reimbursement procedure whereby A. I. D. reimburses countries only after satisfactory completion of projects or major phases of projects.
- The country composition of A. I. D. 's geographic bureaus has been realigned to bring the Agency's organization more closely into line with that of the Department of State and to facilitate progress in the evolution of Supporting Assistance and Indo-China programs toward conventional development assistance.
- A. I. D. overseas organizations have re-examined and revised their manpower needs to assure that they are adequately staffed to implement and evaluate results-oriented projects in the priority sectors as well as to eliminate positions for activities of lower priority.

- To adjust A. I. D. 's total work force to current program priorities and requirements, significantly reduced manpower levels have been established in AID/Washington and selected Missions. These reductions will be achieved by abolition of positions, reductions-in-force, reassignments and other appropriate personnel actions.
- To assure that Agency programs reflect stated priorities and are proceeding toward -- and achieving -- their objectives, A. I. D. has undertaken a major review and revision of its basic systems for program planning, budgeting, implementation and evaluation.
- Recodification and simplification of all internal directives is nearing completion, thus eliminating obsolescent guidance and updating and restructuring these instructions into a series of succinct, convenient, end-user oriented handbooks.
- A new system has been designed to strengthen the review and approval of Agency publications in order to assure responsiveness to current public information needs, as well as to assure consistency and economy in the production of Agency publications.

A more detailed statement of these management accomplishments follows. They are in the areas of:

- I. Responses to new legislative mandates and program initiatives
- II. Accelerated program execution
- III. Improved resources management
- IV. More effective organization and personnel management
- V. Modernization of A. I. D. 's management systems

I. RESPONSES TO NEW LEGISLATIVE MANDATES AND PROGRAM INITIATIVES

Rural Poor

A newly established Rural Development Coordination Staff is now providing a central focus for Agency-wide efforts to diagnose LDC problems of the rural poor and to identify and design projects to address these problems.

In passing the Foreign Assistance Act of 1973, the Congress directed A. I. D. to concentrate on the critical problems of development which affect the majority of people in the developing countries and to give the highest priority to activities which involve and benefit the poor majority, most of whom live in rural areas.

As one initial step in accelerating and improving its responses to the Congressional mandate on rural poverty, A. I. D. established the Working Group on the Rural Poor in February, 1974. Its principal focus was on rapidly improving A. I. D. 's capacity to work with the developing countries more effectively in the area of rural development. The Working Group presented a report to the Administrator's Advisory Council (AAC) in July and recommended an action plan for A. I. D. to achieve a rapid and effective response to the Congressional Mandate.

As one result, a policy decision was made by the Administrator that among the Agency's fundamental objectives in the area of rural development is the building of a capacity for diagnosing the dynamics of rural areas and for designing activities which emphasize both increased production by and income for the rural poor.

A primary recommendation in the Working Group report called for designation of a focal point within AID/Washington for the coordination and advancement of rural development concerns. In response, the Administrator directed the establishment of a Rural Development Coordination Staff in the Bureau for Technical Assistance. Working with other Bureau elements and through the geographic bureaus, it will prepare working guides to help diagnostic, project identification, and design teams do their jobs better; identify talented people inside and outside of A. I. D. and facilitate access to them; provide direct assistance in rural diagnosis, project identification and design and help promote dialogue, learning and training within A. I. D. about rural development.

Progress has been made in each of these areas, including completion of two guidance papers, the compilation of a list of some fifty specialists in areas of scarce rural development talent, the provision of diagnostic and project design assistance to six field missions, and the outlining of an Agency-wide training program in rural development.

Disaster Relief

A. I. D. has taken major steps to strengthen the Agency's role in coordinating U. S. responses to natural and other disasters abroad.

A. I. D. has long responded to foreign disasters because its economic assistance role uniquely equips the Agency with the necessary tools and manpower, often located in disaster-prone areas. In the past, regular appropriated funds have been used along with special appropriations to A. I. D. specifically for disaster relief and rehabilitation for selected countries. The President has frequently made ad hoc designations of an A. I. D. senior officer as his Special Coordinator for the U. S. response to a particular disaster. Most recently, A. I. D.'s Administrator has been designated by President Ford as the President's Special Coordinator for Disaster Relief Activities.

During recent months A. I. D. has worked to strengthen its coordinative capability and to encourage greater world-wide coordination. The following efforts have received priority attention:

U. S. Ambassadors have been requested to appoint U. S. Mission Disaster Relief Officers. With rare exceptions, U. S. Missions in disaster-prone areas have not had designated individuals with whom A. I. D. could communicate with certainty in regard to either disaster planning or relief matters following a disaster. Regional meetings of these Disaster Relief Officers now provide them basic orientation in their responsibilities and foreign disaster assistance practices.

A need was also identified for a U. S. Mission disaster plan which interlocks with the host government's national disaster plan and takes into account the human and material resources located within the country. Guidelines for the development of these plans have been dispatched, and draft plans have been received

and are under review. Also, agreement has been reached with major U. S. voluntary agencies to coordinate their local disaster plans with those of the U. S. Mission.

The humanitarian and cost benefits from stockpiling U. S. disaster relief supplies abroad have been thoroughly demonstrated in recent years. Two new stockpiles (in addition to the initial stockpile in Panama) have been established, one in Italy and one on Guam. Agreement has now been reached with the Government of Singapore to locate an additional stockpile there to meet the needs of highly disaster-prone areas in Southeast Asia and in the Indian Sub-continent.

During the recent Honduran hurricane disaster, A. I. D. implemented a new national system for channeling spontaneous U. S. public response to foreign disasters, and turning it to the maximum good. The Governor's Office of each of the 48 Continental States was asked to establish a State Honduran Relief Supply Coordinator. These State Coordinators in turn contacted all municipalities and other jurisdictions and provided State-level guidance to coordinate and channel public reaction to the Honduran disaster. This system will be used in future disasters to avoid past situations which were sometimes characterized by a massive voluntary but unstructured collection and delayed movement of thousands of tons of privately donated relief supplies.

A. I. D. has also taken steps to provide technical assistance to other governments to help them develop and improve their national disaster capabilities. Such assistance in disaster preparedness generally takes two forms -- direct in-country consultation and annual seminars in the United States. The seminars train national officials from disaster-prone countries in disaster relief techniques. A. I. D. also consults and cooperates with international and multi-lateral organizations.

In another area of international coordination, A. I. D. and the Department of State formulated a resolution for United Nations General Assembly consideration which will significantly strengthen the coordinative capabilities of the Office of the United Nations Disaster Relief Coordinator (UNDRO). The resolution, which attracted 29 co-sponsors, was passed by acclamation. It provides additional staff and funds for the UNDRO and establishes as its number one priority the creation of an information exchange system between major donor nations and organizations. This expanded information exchange will minimize the waste caused by over-reaction and duplication which has frequently characterized major international disaster relief efforts.

Reorganization of Sahel Effort

Washington and field organizations responsible for A. I. D. programs in the Sahel have been reorganized and strengthened to speed response to drought emergency needs and to increase capacity for planning longer-term assistance efforts.

The appalling human tragedy caused by the prolonged drought in the Sub-Saharan Sahel region triggered a massive response by A. I. D. and other national and international assistance agencies. The Agency's initial concern was to rush quantities of food to alleviate the most severe famine conditions. As the scope of the human and economic dislocation became increasingly apparent, A. I. D. restructured its organization and processes to participate more effectively in long-range assistance to the affected peoples and in the restoration of the Sahelian economies.

Drought emergency and recovery activities and related medium-term programs in the Sahel are primarily national in scope and are administered by the individual Sahelian countries rather than by regional organizations. Therefore, A. I. D. has established bilateral country development offices in four Sahel countries -- Chad, Mali, Mauritania, and Upper Volta. Each office has been staffed with a small cadre of drought emergency and program management officers.

To further support the front-line bilateral effort, A. I. D. has also assigned additional Food for Peace Officers and Logistics Officers to key port cities in West Africa. They are responsible for coordinating with A. I. D. offices in Washington, Port Committees of donor representatives, and the affected host governments to assure that all U. S. -financed commodities move rapidly through coastal ports to inland destinations.

In addition, Controllers have been assigned to three regional offices, and specific obligational authorities and accountability functions have been delegated to the field. This on-site financial service provides greater control and more timely support to urgent programs than was possible when these functions were performed in Washington.

In summary, the Agency has increased its staff overseas in support of the Sahel effort by 16 officers since June, 1974, with an overall increase of 45 planned for June, 1975.

Special mechanisms have also been established in Washington to assure prompt response to both short and long-term programs. The Africa Bureau has set up an Emergency Office to control the flood of communications for drought relief decisions, and to coordinate the Agency's focus on emergency assistance.

Further, A. I. D. has established a Standing Committee on Transport for the Sahel -- representing action offices in A. I. D. and the U. S. Department of Agriculture -- to coordinate and expedite food commodity deliveries from the U. S. and minimize port congestion bottlenecks in West Africa.

To speed up the impact of A. I. D. assistance for recovery and rehabilitation, special procedures have been put into effect including expanded local procurement and field office approval of program activities. Review of shipping and other procedures is continuing in order to identify further possibilities for speeding up A. I. D. 's reaction time.

Women in Development

A new Policy Determination provides guidance to the Agency's Washington and field staff on A. I. D. 's responsibilities for the integration of women in the development process.

A Coordinator for Women in Development, reporting directly to the Administrator, has been designated to coordinate A. I. D. action to carry out this new policy.

Section 113 of the Foreign Assistance Act of 1973, known as the "Percy Amendment", requires that U. S. bilateral development assistance programs "be administered so as to give particular attention to those programs, projects and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort."

An Agency Working Committee was established to formulate a comprehensive Plan of Action to implement the concepts of the "Percy Amendment." An Agency Policy Determination -- developed by the Working Committee -- directs A. I. D. headquarters and field organizations to institutionalize a conscious

concern for women in development throughout the Agency's programming processes from concept and design through review, implementation, and final evaluation. Each development assistance plan, sector analysis and assessment, preliminary and final project paper and field submission must contain a clear statement of how women in the developing country will be involved in the development process being analyzed and how the plan or proposal will use the capacities of women in the host country or benefit them. In the approval of plans and projects, strong preference will be given to those which provide for effective utilization of women.

All A. I. D. grantees, contractors and other intermediary groups will be required to apply the Percy Amendment concepts in carrying out A. I. D. -financed activities. Other donors -- international, bilateral and private -- are being encouraged to give attention to the role of women in development.

Geographic bureaus and field Missions have been directed to encourage and assist developing countries and international organizations in collecting information which may be used to illuminate the role, status, and contributions of women in developing countries. Moreover, on request of developing countries, A. I. D. will help establish women's commissions, bureaus, and non-governmental organizations in the host countries and encourage their work as it relates to legal, economic, and social development activities which promote the integration of women in development.

A Coordinator for Women in Development, reporting directly to the Administrator, has been designated to provide leadership for A. I. D. actions to carry out this new policy. The Coordinator's responsibilities include encouraging and coordinating such activities as: the Agency's efforts to incorporate Percy Amendment concerns in the implementation of new Congressional emphasis areas; the application of a multi-disciplinary approach to improving the lives of women; and the review of programs involving assistance to educational activities. In addition, the Coordinator is responsible for carrying out such activities as the dissemination of information about effective programs, the development of analytical capacity to review programs, liaison with U.S. women's organizations, and the design of reporting, monitoring, and publication requirements.

Private and Voluntary Organizations

An \$11 million set-aside grant was established to support development assistance activities undertaken by private and voluntary organizations.

A. I. D. and the Advisory Committee on Voluntary Foreign Aid jointly sponsored in April, 1974 a Development Assistance Policy Conference attended by representatives of 150 private and voluntary organizations. Subsequent workshops have dealt with grant administration and program development.

In recognition of the significant contribution made by private and voluntary organizations (PVOs) in the development and humanitarian assistance fields in the past, Congress underscored its concern that A. I. D. expand the role for these organizations in the revitalized international development effort. To this end the Foreign Assistance Act of 1973 stated that the U. S. development efforts should be carried out to the "maximum extent possible through the private sector." Emphasis was placed particularly on voluntary agencies, including cooperatives and credit unions. In response to this Congressional mandate A. I. D. undertook a number of actions to increase its support for PVOs.

As a first step, in April A. I. D. sponsored a major policy conference with representatives of 150 private and voluntary organizations. At this meeting it was announced that the A. I. D. Administrator had approved a "set-aside" of \$11 million to be used to support development assistance activities undertaken by private and voluntary organizations. In addition to financing activities in the less developed countries it was announced that grants would also be made to eligible private and voluntary organizations to strengthen their capacities to plan, design, manage and evaluate development programs and projects.

To date, nearly 100 applications have been received from various private and voluntary organizations for support under both of these programs. An example of such support was the award of the first of such grants to Africare, a private American organization which will work with the poorest people in the Sahel region of Africa to help them increase their agricultural production and undertake related rural development activities.

The April meeting also provided an opportunity to obtain inputs from PVOs on A. I. D. 's guidelines for use of the set-aside. Completed in August, these guidelines have been sent to interested PVOs and all A. I. D. Missions. In October A. I. D. sponsored a program workshop to assist the PVOs in understanding A. I. D. 's procedures for handling applications and for the review and administration of the new development assistance grants to PVOs.

More recently, in cooperation with the Overseas Development Council (ODC), A. I. D. has financed a series of workshops with PVOs to explore the broad question of rural development, the problems in that area and the diverse experiences and insights of both A. I. D. and the PVOs. Such workshops will make it possible for A. I. D. and PVOs to expand their understanding of each other's efforts in reaching the poorest majority, the nature of the task, and the solutions which appear most applicable.

Fertilizer Procurement and Research

A. I. D. has undertaken major steps to address the problems arising from the scarcity and high cost of fertilizers through revised procurement procedures and assistance to a new International Fertilizer Development Center.

Following the poor world food grain crop of 1972, the world stockpile of fertilizer began to rapidly dwindle as nations around the globe attempted to maximize agricultural production by increasing fertilizer use. In the spring of 1973, farmers began to feel the pinch when their normal suppliers' stocks were not adequate to meet their demands. By the spring of 1974, a critical worldwide fertilizer shortage existed.

The Agency, faced with the double-edged problem of assisting poorer nations in maximizing agricultural production through continued use of fertilizer, and, at the same time, minimizing the effect of A. I. D. -financed fertilizer on domestic availabilities, initiated a number of changes in the established procurement policy.

A. I. D. 's traditional policy of financing fertilizer only from the U. S. or developing countries was expanded to include all free world countries. All recipient countries were notified that A. I. D. would finance only that fertilizer shipped from the U. S.

during the off-season and would not finance fertilizer shipped during the February-May period when U. S. farmers use approximately 70 percent of their annual requirements.

A. I. D. also assumed a somewhat more direct role in the procurement process. During the summer of 1974, A. I. D. published two consolidated invitations for bid for fertilizer on behalf of the recipient countries. Responsive offers made by international suppliers were evaluated by A. I. D., and those offers acceptable for financing were allocated to the various recipients on a pro rata basis. This procedure proved to be effective in reducing competition among recipients for the limited quantities of fertilizer available.

A. I. D. continues to work closely with the principal fertilizer suppliers and as quantities of material become available, A. I. D. assists in getting the buyer and the seller together. Through this assistance, A. I. D. has helped to locate and finance over 70 percent of the quantity requested by the recipients while reducing the drain on domestic stocks to less than half of one percent of U. S. supplies.

Furthermore, in recognition of the need for a more concerted international effort in research on new and more efficient fertilizers appropriate for the conditions in the developing countries, A. I. D. is assisting in the establishment of an International Fertilizer Development Center at TVA, Muscle Shoals, Alabama. A Board of Directors and a Managing Director have been appointed. A. I. D. and the Canadian International Development and Research Centre are providing initial funding.

II. ACCELERATED PROGRAM EXECUTION

Improvement and Acceleration of Mission Program Submissions

Significant progress has been achieved in accelerating the preparation, review and approval of Agency multi-year country assistance strategies.

Beginning in FY 1973 A. I. D. instituted a new system of field submissions called Development Assistance Programs (DAPs). This recent decision to move away from annual program memoranda or country field submissions towards multi-year strategy statements based on in-depth sector studies grew out of the 1972 A. I. D. reform plan. This plan stressed the importance of concentrating A. I. D. resources in an integrated approach to priority development problems within a multilateral context and with a more collaborative assistance style.

The DAP is intended to be the principal Agency planning/program document fitting together country and A. I. D. priorities in an action plan. It is to reflect broad agreement between the LDC and the field Missions on the areas where A. I. D. is to concentrate its attention over the next several years. It is to continue in effect until such time -- perhaps two to three years -- as revision becomes necessary.

The DAP was thus decycled from the annual resource allocation process. Yet since this is to be the major substantive Agency look at a country's development programs and A. I. D. activities in the important sectors, it is intended that DAPs be the base against which annual resource allocations and individual program and project proposals will be reviewed.

DAPs were to be prepared as soon as possible for all major A. I. D. countries. Given differences in Mission staffing and ability to mount the necessary analytical efforts, and given AID/Washington's limitations on numbers of qualified people who could help, not all recipients were asked to submit DAPs at the same time, but it was anticipated that all would have submitted DAPs by December 31, 1974.

In July, 1974, however, the Agency recognized that this major effort was falling seriously behind schedule and took remedial steps to ensure that DAPs would be prepared, reviewed and approved in a more systematic manner against prescribed schedules.

A schedule was established which requires that all countries receiving A. I. D. assistance must submit a DAP or DAP-substitute by December, 1974. A central monitoring system was designed to provide management with a monthly status report on compliance to the schedule. Specific review and approval mechanisms have been created which ensure thorough analysis and resolution of all issues raised in the DAP submissions.

Although not all DAPs have been submitted, significant progress was achieved in meeting the December deadline. Over 50 percent of the DAPs have been received and nearly a third of these have already been reviewed and approved. The Agency expects to have centrally approved program strategies for the bulk of its field Missions before the end of FY 1975.

Accelerated Submission, Review and Approval of Proposed Projects and Synchronization with the Congressional Presentation

The Agency has issued directives which require earlier development and review of projects and other activities, and which permit a more orderly review both in the field and AID/Washington by removing the end-of-year timing constraints that have previously existed.

The Agency has achieved a significantly improved rate of obligation of available funds.

One reason for generally late commitment of funds in recent fiscal years has been that most of the development, review and approval for new activities has taken place during the operational year. In order to have projects ready for implementation earlier in the year, the Deputy Administrator has directed that all FY 1976 loan and grant proposals be prepared and submitted for consideration by AID/Washington in the development of the annual Congressional Presentation. This requirement permits these proposals to be reviewed early in AID/Washington and permits subsequent development of projects to take place so that a majority of new activities will be ready for funding in the first half of FY 1976.

This accelerated programming process will also assure the submission of more mature project proposals to the Congress, as well as minimizing prior problems of project "fall out" and substitution.

In addition, the Agency is attempting to achieve an accelerated rate of obligation of available funds earlier in the fiscal year and to avoid the "June rush" that has prevailed in the past. Accordingly, Missions have been directed to submit FY 1975 loan and grant approval documentation earlier in the fiscal year than has been previously required.

While the existence of a Continuing Resolution throughout the first half of FY 1975 has imposed certain funding restraints, the Agency has achieved a significantly improved rate of obligation of available funds. Specifically, 79 percent of all funds available for obligation were committed by December 31, 1974. In contrast, last year's rate was only 66 percent by the same date.

The above actions, taken together, encourage earlier development and review of projects and other activities, which will permit a more orderly, time-phased review both in the field and AID/Washington by removing the end-of-year timing constraints that have previously existed.

III. IMPROVED RESOURCES MANAGEMENT

Project Management Improvement

A. I. D. is improving the quality of project management during the project design, implementation, and evaluation phases through a series of briefings for all senior A. I. D. personnel; the issuance of directives to field organizations on the importance of project design and evaluation as tools of project management; and seminars and training programs to upgrade the skills of all A. I. D. personnel concerned with project management.

A. I. D. has been moving increasingly toward a collaborative style of assistance which emphasizes host country responsibility for the planning and management of assistance activities. Concurrently A. I. D. has increasingly relied upon U. S. educational, private and voluntary institutions -- many of which already have ties in the developing areas -- to carry out A. I. D. -financed projects.

With these changes in operational style and with significantly fewer direct-hire personnel in the field Missions, A. I. D. is concerned that its systems are appropriately restructured to ensure the continued prudent management of U. S. Government funds.

Recognizing that a fundamental element of project management is better project design and evaluation, the Agency instituted a series of briefings on the subject for all senior A. I. D. personnel. The importance of project design and evaluation as tools of project management has also been stressed to field personnel in a recent directive, and both seminars and training programs are being provided to upgrade the skills of all A. I. D. personnel concerned with project management.

Parallel courses focus on the specific skills essential for effective project management. Already four courses have been held in the Africa Bureau, attended by over 100 U. S. and foreign national employees.

A. I. D. 's existing concept of project management, including the mixes of professional skills and responsibilities involved, is being reviewed to determine the most effective arrangements for good management. The necessary degree of flexibility will

be built-in to accommodate the variations among Missions in their program activities, on-site personnel skills and host country capabilities.

The new Agency directives system and the new Agency systems arising out of the "Planning, Budgeting, Accounting, and Reporting" Task Force effort (discussed elsewhere in the report) are expected to contribute substantially to the strengthening of the project management function by providing guidance and procedural tools for efficient and effective field operations.

Improved Standards for the Administration of New Development Loans

A Policy Determination has been issued which provides for improved standards in the administration of A. I. D. 's loan portfolio and establishes a refined Agency-wide loan reporting system.

One of the principal concerns of A. I. D. management is the proper administration of resources provided the Agency by the Congress. Because the bulk of these resources flow to recipient countries through development loans, it is important that continuous attention be given to insuring that the lending process, beginning with project negotiation and ending with final disbursement, is designed to facilitate the prompt, effective utilization of A. I. D. funds. Without constant attention being paid to this objective, both by borrowing entities as well as by A. I. D. staff, excessive slippage in project implementation results with commensurate unnecessary increases in the Agency's pipeline. It is important that criteria be established which will provide a framework for developing project structures which will reflect this concern to the maximum extent possible.

To this end, a Policy Determination, issued by the Administrator on July 1, 1974, established improved standards for the administration of A. I. D. 's loan portfolio. Revised and tightened Agency-wide criteria (including time-phased limitations) were established for execution of loan agreements, compliance with conditions precedent, and loan disbursement periods consistent with good management and fiscal practices.

In addition, a refined loan reporting system was initiated which more rapidly identifies any loan problems which should be brought to the attention of the Administrator or the Deputy Administrator for timely resolution.

Reduction of Undisbursed Balances in A. I. D. 's Loan Portfolio

As a result of a special review initiated by the Deputy Administrator, the implementation, disbursement, and where appropriate, the recovery of unused balances of 249 loans with an undisbursed balance of \$876 million are being accelerated.

A. I. D. 's loan pipeline as of June 30, 1974 amounted to \$1,696 million. Undisbursed balances against signed A. I. D. loan agreements as of the same date amounted to \$1,329 million. The Agency is concerned with this large pipeline and has taken steps to reduce it.

A Committee was established to undertake a full review of all loans, concentrating on older loans signed prior to July 1, 1971. Working closely with the responsible geographic bureaus, it has identified those loans with large undisbursed balances and determined the necessary actions needed to accelerate loan activity. A Committee report submitted to the Deputy Administrator on October 18, 1974, identified 222 loans with an undisbursed balance of \$668 million. These have received special attention by the responsible geographic bureaus, and follow-up actions are being taken to speed up implementation of the loans and disbursement of remaining balances.

An additional 27 loans with an undisbursed balance of \$208 million are currently undergoing further special review. Certain of these loans, where conditions warrant, may be deobligated. One \$10 million loan has already been so deobligated.

Fixed-Amount Reimbursement

The Agency has introduced and is encouraging Mission use of a new fixed-amount reimbursement procedure whereby A. I. D. reimburses countries only after satisfactory completion of projects or major phases of projects.

The concept of fixed-amount reimbursement permits a recipient country to implement jointly agreed-upon projects, with A. I. D. reimbursing the country after satisfactory completion of the program. The technique has advantages of forcing good advance planning, placing the management and implementation

responsibilities for development activities directly on the recipient government, limiting A. I. D. 's contribution to a fixed amount, and assuring the satisfactory completion of a discrete block of work prior to the expenditure of A. I. D. funds.

All field Missions have been encouraged to consider the concept as an innovative means of implementation in projects where appropriate. This procedure is now being used in specific projects in a number of countries including Korea, Indonesia and Pakistan.

Existing legislative and policy requirements, particularly those affecting procurement, are being reviewed to determine if legislative action should be sought in order to broaden the use of the fixed-amount reimbursement concept.

Integration of P. L. 480 Title II with Other A. I. D. Programs

The Agency has issued new program guidance to ensure that all elements of the system for programming, budgeting, approving and implementing P. L. 480 Title II programs are integrated into other A. I. D. programs and projects in the areas of A. I. D. priority emphasis.

In the past, many P. L. 480 Title II programs and projects have been designed primarily to achieve individual project goals, rather than to complement A. I. D. 's other on-going programs.

To bring a closer coordination between A. I. D. goals in concentration areas and the Title II activities of Voluntary Agencies, A. I. D. initiated the establishment of a working group comprised of A. I. D., Voluntary Agency representatives, USDA and OMB to work out possible improvements in Title II programming and budgeting.

As a result, Voluntary Agency representatives were invited to participate in the Agency's review of the individual country Field Budget Submissions for FY 1976 to insure better integration of Voluntary Agency/Title II programs into A. I. D. activities within the concentration areas.

In addition, new policy and procedural guidance has been sent to field Missions emphasizing the importance of integrating Title II and FAA resources at the project level and as complementary

programs to support the recipient countries' sector objectives. This restatement of the importance of integrating Title II resources with other aid tools is in response to the legislative directive in Section 102 of the FAA of 1973 which states, "to the maximum extent practicable, the furnishing of agricultural commodities, shall complement and be coordinated with assistance provided under . . ." Part I of the Act. It is also an expression of Agency management's concern to utilize all available resources in the most efficient way possible.

IV. MORE EFFECTIVE ORGANIZATION AND PERSONNEL MANAGEMENT

Geographic Bureau Realignment

The country composition of A. I. D. 's geographic bureaus has been realigned to bring the Agency's organization more closely into line with that of the Department of State and to facilitate progress in the evolution of Supporting Assistance and Indo-China programs toward conventional development assistance.

Over the past years differences have existed in the country composition of A. I. D. geographic bureaus vis-a-vis those of the Department of State. These differences were further aggravated by the efforts of 1971-1972 to organizationally centralize and isolate economic supporting assistance efforts from development assistance, with the eventual goal of transferring economic supporting assistance programs to the Department of State. By 1973, however, it had become apparent that this transfer would not take place. Additionally, the decrease in hostilities in parts of Southeast Asia portended a potential long-range shift in the type of assistance required, i. e., from economic supporting assistance to development assistance.

The recently completed realignment of A. I. D. 's geographic bureaus to become more truly geographic will simplify A. I. D. 's relations with the Department of State Bureaus concerned by providing clearer lines of contact and liaison. The restructuring also will facilitate the desired steady progress in the evolution of Supporting Assistance and Indo-China programs toward conventional development assistance.

Strengthened A. I. D. Missions

A. I. D. overseas organizations have re-examined and revised their manpower needs to assure that they are adequately staffed to implement and evaluate results-oriented projects in the priority sectors as well as to eliminate positions for activities of lower priority.

The new initiatives and emphases legislated by the Congress in the Foreign Assistance Act of 1973 confront A. I. D. and particularly

its field Missions with a unique challenge of matching Congressional intent with solid performance. The Agency recognized that, in meeting this challenge, more staff time and effort in some overseas organizations may be called for. Moreover, attacking the problems of the neediest may involve different disciplines from those required by the operations which characterized many A.I.D. country programs in the 60's.

The front line of the development effort continues to be in the field, not Washington. For this reason, A.I.D. has taken steps to assure that each field organization is properly staffed, and has available to it the manpower essential to plan, design, manage, monitor and evaluate its program responsibly and effectively. This is a management prerequisite if the Agency is to achieve the goals set by the Congress and the Executive Branch.

With these considerations in mind, the Deputy Administrator has personally solicited the considered judgment of selected field managers as to whether the presently projected staffing levels will do the job that has to be done, or whether some staff adjustments are essential to achieve quantifiable, demonstrable results and meet project and sector goals in the priority assistance areas. Responses to this solicitation have been reviewed and appropriate adjustments initiated in the staffing of A. I. D. overseas organizations.

Reduced Employment Level in Washington

The Agency has programmed a 10 percent reduction in its Washington employment level by June 30, 1975.

The Agency has taken affirmative steps to reduce Washington staff to a level consistent with its responsibilities for maximum efficiency and economy in the conduct of its business and with Congressional intent. These actions will also assist in correcting the imbalance that has developed between field and Washington manpower levels.

To reduce Washington staff, senior managers were asked to identify positions involved in their lowest priority activities. Positions which were vacant have already been abolished, and encumbered positions in this category are being eliminated as the Agency conducts reductions-in-force already underway.

Substantially lower Washington employment limitations have been established for FY 1975. These new employment limitations will result in an approximate 10 percent reduction from the June, 1974 level.

Classification Review of all Washington and Overseas Positions

The Agency has conducted a classification review of all General Schedule positions in Washington and certified the validity of all Foreign Service positions overseas.

To insure full compliance with Civil Service and other appropriate rules, regulations and classification standards, the Agency has undertaken a major classification review of all vacant and occupied Washington General Schedule positions and a series of classification actions, including a certification, on all Foreign Service positions.

In the course of these reviews all position descriptions have been verified and revised as necessary to insure that each accurately describes the current work assignment and responsibility of the incumbent. One result of the General Schedule review will establish competitive levels which accurately reflect interchangeability of Washington General Schedule positions to insure equitable placement of employees as required by CSC regulations during a reduction-in-force.

This classification review process -- including response to all rebuttals, review of competitive levels, and related classification actions -- has been completed throughout all the Washington bureaus and offices and all field organizations.

Foreign Service Promotion Freeze

In July, the Agency placed a moratorium on Foreign Service promotions in order to bring the Foreign Service personnel grade structure more in line with actual requirements.

Due to the sharp decrease in A. I. D. 's personnel requirements abroad in recent years, and the retention and utilization of Foreign Service Personnel (over and above our Foreign Service requirements) in Washington, the Foreign Service personnel grade structure has become increasingly out of line. Thus a

considerable disparity between the personal rank of the Agency's Foreign Service employees and actual position requirements has developed.

Congressional committees, the GAO, OMB, Civil Service Commission and others have expressed concern over this problem. Clearly both A. I. D. 's staffing level and grade distribution pattern are viewed as an index of the Agency's managerial competence and effectiveness.

Accordingly, the Agency, on July 15, 1974, placed a moratorium on promotions above FSR-5 and FSS-7. Also, the Agency is reducing the total number of Foreign Service personnel (discussed under "Reduction-in-Force" section below). A review will be made in early 1975 to determine whether other actions underway will permit at least a partial lifting of the moratorium.

Reduction-in-Force

A series of reductions-in-force is being conducted to reduce the Washington staff to a level consistent with Agency requirements.

Agency studies have confirmed that attrition alone will not permit the Agency to achieve a proper balance of required skills. Although attrition can accomplish an overall reduction in an organization, it does not provide the flexibility to control where the attrition occurs or which skills are affected. Agency reviews of specific position requirements by functional skills have yielded detailed data on manpower requirements which are now being analyzed for the purpose of matching skills requirements with existing personnel resources. In skill categories where the Agency has more personnel than valid position requirements, reductions-in-force are being conducted.

The first of a series of reductions-in-force was conducted in July 1974. The Foreign Assistance Act of 1973 mandated that no part of any appropriation made available to carry out the Act will be used to conduct police training in a foreign country. Therefore, all overseas public safety positions covered by the Act were abolished, resulting in the elimination of 66 filled positions.

A second reduction-in-force was conducted in November, 1974 to reduce the Agency's Reassignment Complement. This

Complement (normally about 50 positions) consists primarily of Foreign Service personnel awaiting assignment to another overseas post or to a position in Washington. Pending reassignment, these individuals have been detailed both to operational activities in AID/Washington offices and to special task forces on Agency policies, procedures and new program initiatives. As the reductions overseas accelerated, however, the number of Foreign Service personnel on the Complement greatly exceeded requirements for current or projected positions in Washington and in posts overseas, and increasingly consisted of individuals with special skills no longer required by the Agency. This reduction-in-force resulted in the elimination of 41 filled positions.

These reductions-in-force were preliminary to the major reduction actions to be taken in calendar year 1975. Because of the existence of two separate personnel systems (Foreign Service and Civil Service) two major reductions-in-force will be necessary -- early February, 1975 for Foreign Service personnel, and early May, 1975 for Civil Service personnel. The Civil Service reduction-in-force must be delayed until May in order that the adverse actions resulting from the classification survey described above can be implemented. These actions will be taken during the period January-April, 1975.

All of these actions are painful and traumatic to the Agency. It is recognized that there will be substantial disruptive effect to the Agency and in many cases severe personal problems for the individuals affected in the reductions-in-force either through relocation, downgrading or separation. The Agency is pursuing all means available to protect individuals affected and providing extensive counselling and out-placement services. However, Agency management is firm in its conviction that these drastic steps must be taken to insure that the manpower resources available to the Agency match the skill requirements needed under the new Congressional mandates.

V. MODERNIZATION OF A. I. D. 'S MANAGEMENT SYSTEMS

Overhaul of Programming Systems

To assure that Agency programs reflect stated priorities and are proceeding toward -- and achieving -- their objectives, A. I. D. has undertaken a major review and revision of its basic systems for program planning, budgeting, implementation and evaluation.

The Agency's management systems were designed for the foreign assistance programs of the early 1960's and have not kept pace with changes in A. I. D. 's program emphasis and assistance techniques. In early 1974, a part-time task force -- after a detailed study of the existing systems -- recommended the conceptual framework for a revised and integrated system for Planning, Budgeting, Accounting and Reporting (PBAR). The Administrator gave general endorsement to the PBAR Task Force's concepts paper and requested an intensive effort to develop and elaborate on the approaches proposed. Accordingly, the Task Force was expanded, a full-time chairman designated, and assumptions and priorities for the Task Force's work approved.

In October the Task Force recommended more long-term planning in AID/Washington; simplification of the budgeting process; a stricter definition of projects; improvements in project design; and intensive study of the project implementation process; and a strengthening and expansion of evaluation. It also proposed strengthening the management information system by establishing a new project classification system, a standardized project performance reporting system, a centralized country program data bank, and a more fully integrated financial information system.

In December, after obtaining comments on the Task Force report from field Missions and Washington, the bulk of the Task Force's recommendations were approved and responsibility for implementation assigned to specific AID/Washington offices.

Operating Expense Concept

The operating expense concept has been refined and applied to our budgetary requests and internal financial operations to improve management analysis and control of these costs.

Modern business management systems have long been concerned with evaluating the cost of various management functions. To provide a more meaningful comprehensive analysis of such costs, A. I. D. in FY 1973 took initial steps to develop an operating expense concept which would bring together the Agency's total costs of operations.

The system was designed to permit improved analysis of the effectiveness of each major management function and cost center. It enables Agency managers to analyze costs and personnel requirements continuously in terms of function or activity. Costs can be more closely related to the actual workload borne by each cost center in each functional area, and deficiencies can be identified more readily.

Under this concept, A. I. D.'s "operating expenses" cover considerably more than traditional "overhead" costs. Included in A. I. D.'s operating expenses are not only the salaries and supporting costs of personnel engaged in the basic "overhead" functions of policy, planning, programming coordination, and management, but also the costs of activities in direct support of A. I. D. projects. Such costs include those associated with contracting, commodity procurement, engineering services, arranging for participant training, and project development and management.

The operating expenses concept is structured to delineate eleven discrete management functions and permit attribution of expenses against each regardless of funding source. On a year-to-year basis, accurate comparisons of Agency operating expenses for each management function are now possible so that top management can better correlate these expenditures with program or geographic areas of greatest emphasis or priority.

Subsequent to its initial development, the concept has been further refined, and comprehensive analyses have been made of the Agency's operating expenses. Such analyses have provided and will continue to provide a valuable tool to management in its continuing effort to

arrive at more effective resource allocations and to promote cost efficiencies. We are making use of modern computer techniques to assist us in these efforts.

Another useful application of operating expense information has been made in developing an equitable overhead rate for use in agreements with other countries under which A. I. D. provides technical assistance and participant training on a reimbursable basis.

Streamlining Agency Directives

Recodification and simplification of all internal directives is nearing completion, thus eliminating obsolescent guidance and updating and restructuring these instructions into a series of succinct, convenient, and end-user oriented handbooks.

Through the years, the Agency's directives system had become increasingly complex, inconvenient to use, and obsolescent. Recognizing that a patchwork update of existing directives would not serve the needs of either management or operating personnel, Agency management ordered the complete redesign of Agency directives into a series of topical handbooks, updated to reflect the many significant changes in policies and procedures.

In addition to consolidating the material for end-user convenience, the handbooks have been structured to highlight substantive policy and make it readily available apart from procedural detail.

While this effort to streamline Agency directives was launched in June, 1972, and much progress was made in designing the structure of the handbook system as well as drafting some of the individual volumes, the conversion process was seriously impeded by conflicting priorities. In July, 1974 the Deputy Administrator assigned a high priority to completion of the directives conversion program and required that all handbooks be drafted and cleared pursuant to prescribed deadlines.

Twenty-eight handbooks either have been issued or are in final states of editing, printing, and distribution with four remaining handbooks in various stages of drafting and clearance.

Information Management

A new system has been designed to strengthen the review and approval of Agency publications in order to assure responsiveness to current public information needs, as well as to assure consistency and economy in the production of Agency publications.

An examination is underway to review the feasibility of improving Agency library and information retrieval services to meet more fully the needs of Agency personnel.

Agency Publications

Over the past few years, there has been a significant increase in the number of Agency publications and in the number of subjects covered by these publications. While A. I. D. had a Publications Board to review Agency publications before printing and distribution, the responsibilities of this Board were limited to the review of selected publications which met specific criteria. This review covered such areas as readability, essentiality and cost -- but only in terms of the individual publication under review.

With increased emphasis on research and innovation and the rising volume of publications which result from our efforts to apply new technologies to the problems of developing countries, the need for an Agency-wide publications policy was recognized -- one concerned both with the potential overlap of existing publications and with avoiding significant gaps in the coverage of A. I. D. publications. Concurrently, the need was identified for a strong and more effective system to assure review of all aspects of Agency publications.

In recognition of these needs, a task force was established to develop a more effective publications program. In proposing a system for centralized review and approval of all Agency publications, the task force recommended: a strengthened Publications Board, comprised of senior level personnel, responsible for the development and enforcement of an overall publications policy; and the designation of an Agency unit to coordinate all operational aspects of the development and production of Agency publications. This unit will ensure that all proposed publications are evaluated for essentiality in relationship to previous and current publications, applicability of content and format, and cost considerations. Also, this unit will ensure that all Agency publications are incorporated in the Agency's institutional memory.

Informational Services

In addition, informational services have been identified as a problem area, and a special task force established to address certain aspects of the problem, particularly library services and an improved information retrieval system.

The Agency currently maintains an A. I. D. Reference Center (ARC) which is responsible for establishing and maintaining an Agency "memory." The ARC's mandate, however, does not extend to the acquisition of economic development materials published outside the Agency, such as privately published books and periodicals, materials from other U. S. and international agencies, or documents relating to the economic assistance programs of other donor nations.

This new task force is exploring the feasibility of various means to improve not only the quality but also the quantity of information and services available and required to meet more fully the needs of Agency personnel in responding to the new legislative initiatives and to the growing inter-relationships of the international economic development community.