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ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

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REPORT OF THE QUARTERLY MEETING
DECEMBER 3-4, 1984

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INTRODUCTION

In the changing world of international development, resource allocations are a critical factor for determining priorities and measuring successes. Decisions to dedicate financial and human resources shape program priorities and long-term development aims. Resource allocations are an essential ingredient in any strategic planning.

The process of resource allocations assumes added importance in periods of international austerity and lowered expectations among LDC leaders about the rate and pace of development. Most developing countries are surviving in a world of stagnant international trade and languishing per capita growth. Although some LDC economies are expanding, notably a few in Asia, most nations of Latin America are wrestling with huge international debts and the problems of debt servicing, while many nations of sub-Saharan Africa are facing negative economic growth and the worst drought of the century.

Clearly, in such an uncertain international environment, the roles of donor agencies and their resource allocation priorities assume new importance with long-term implications for the directions of international assistance, while the process by which leading development agencies in both the public and private sectors determine their priorities will have long-term consequences for development activities well into the next century.

BACKGROUND

Meeting with ACVFA members to discuss future ACVFA priorities, AID Administrator M. Peter McPherson challenged the group to advise him how AID can improve the impact of its programs by allocating its development resources more effectively. In response, the ACVFA chose to devote its December 1984 meeting to examine the resource allocation process affecting U.S. public and private international assistance and identify strategies for maximizing the impact of limited resources.

Most nations of the developing world survive close to the edge of economic viability. If the U.S. is to offer positive economic and social recommendations, it is imperative that we understand the resource allocation process of the U.S. and other donor agencies in both the public and private sectors.

There is little formal literature available on the process of resource allocations, particularly in relationship to the developing world. The various agencies involved with international development seemingly have neither the resources, nor the capacity to develop institutional linkages to coordinate planning. To use limited resources more effectively continues to constitute an enduring challenge to the development community.

The December 3-4, 1984 Advisory Committee meeting aimed to focus on the world of shrinking resources and growing development needs. The program was divided into three phases. Phase one focused on a review of the determination of funding priorities from various perspectives of both the public and private sectors. Bilateral and multilateral development agencies and the U.S. Congress participated in this session. The second phase highlighted private sector development efforts. Panelists included a representative of a leading corporation active in international development efforts, the president of the Council of Foundations, and the president of InterAction. The third phase of the conference provided an opportunity for reports from workshops and recommendations for the Advisory Committee to be discussed.

MORNING PLENARY SESSIONS

Morgan Williams opened the meeting by noting the timeliness and urgency of the theme: How can we use limited resources to be more effective? He commented that the topic was one of particular interest to AID Administrator Peter McPherson.

Jay Morris, Deputy Administrator of the Agency for International Development, noted his support of private voluntary agencies and the work of the ACVFA. He stated that as a result of his tenure at AID, he had an expanded view of PVOs and their importance to development efforts.

Morris stressed that the AID/PVO agenda should focus on three management tools: Coordination, cooperation, and consultation. Improved coordination among government agencies, among PVOs and between the two is Administrator McPherson's highest priority, particularly given the limited human resources currently available to AID. The coordination need is particularly acute because of the Africa drought and the increased workload caused by heightened activities in the seven AID posts in Central America.

In the past few years AID/PVO coordination has improved dramatically. This increased coordination helps to maximize the effectiveness of resources, particularly when uncertainty exists about the rate of Agency growth, if any.

The coordination and cooperation emphases increase the focus on evaluation, especially with the shrinking resource base available to development planners. Well-designed, well-implemented evaluations, buttressed by solid supporting evidence, can help determine priorities and indicate the most effective placement of AID's resources.

In other remarks, Morris applauded the formation of InterAction and noted that the new organization will improve opportunities for increased coordination with the PVO community. He also expressed an interest in facilitating the coordination of data-sharing with other donor agencies.

In conclusion, Morris restated his concern with improved mechanisms for grantmaking within AID and his commitment to relieving logjams within the agency. He also reconfirmed his commitment to maintaining PVC staff at current levels and to finding ways to strengthen the office and protect the services that it offers.

In the question period following Morris' remarks, James MacCracken of the Christian Children's Fund, asked about new

goals and directions within AID for the next four years. Morris responded that there would be no startling departures from current paths; however, Morris does foresee a new stress on internal management.

Programmatically, Morris said that AID will continue to emphasize the four pillars of development. First, there will be a continued emphasis on applied research, particularly on African agriculture, and less stress on program implementation. Secondly, the agency will demand a greater emphasis on indigenous policy reform. One of the positives the current crisis has provided is the opportunity to open discussion on long-term solutions to African economic and agricultural problems and a reexamination of the assumptions underlying development theories and implementation processes. In that reexamination, the role of AID has been legitimized as a key player in discussions of major internal LDC economic reform. Morris emphasized that AID will continue to support free market economies wherever practicable in the developing world.

The third area of emphasis is institutional development. Observing that institutional development has been derailed, Morris blamed the shortage of trained manpower as the major culprit. He suggested that many development specialists may be too theoretical, continuing to conduct research and execute studies, rather than working with the considerable body of knowledge that currently exists.

The fourth area to be emphasized is training. Morris maintained that there are limits to what can be accomplished with organizational theories and restructuring; eventually the LDCs must develop cadres of trained professionals. With the aim of increasing the number of trained professionals, AID is emphasizing participant training. Accelerated targets in participant training have been reached with an increase from 7,500 participants per annum since the late seventies to 10,060 in FY 85. Both Congress and the business community are interested in continuing and strengthening training programs because of the benefits to participants of exposure to democratic institutions and increased familiarity with American business practices and technologies. AID is now surveying skills needs and key levels of education and training on a country-by-country basis, as well as exploring third world country training opportunities.

In conclusion, Morris summed up current AID directions as an emphasis on policy innovations to make development assistance more effective; more coordination of private and

public sector development efforts in host countries; with AID, better management of institutions that deliver a product; and finally, emphasis on institution building while stressing participant training.

Panel I: Public Sector Perspectives on Resource Allocations

The two morning sessions were intended to provide an overview on the resource allocation process from the perspectives of public and private sector officials involved in such decisions. The first panel, focusing on public sector resource allocation processes, included representatives from AID as a bilateral donor, the World Bank as a multilateral lender, and from the U.S. Congress as the authorization and appropriation agent for development assistance for the U.S.

Allison B. Herrick, Deputy Assistant Administrator, Bureau for Policy and Program Coordination, AID, opened the session by defining the purpose of AID resource allocations. Herrick stated that AID resources were allocated for the development-oriented initiatives of the U.S. as shaped by the current administration. She underscored that the Administration viewed the four priority areas that Morris had outlined earlier as still valid and planned to continue to allocate resources based on that assessment of development priority needs. Herrick then outlined the resources available to PVOs for field projects. Essentially, funds for PVO projects abroad come from two functional accounts: The Development Assistance Account (DA) and the Economic Support Fund (ESF). The Development Assistance dollar appropriations involve grants and contracts to design and implement projects in the LDCs. The Economic Support Fund is directed toward security and politico-military development.

Herrick described the lengthy process of developing the Agency budget. The budget, which integrates the requests of AID, State, and Agriculture, is laid out on a country-by-country basis and incorporates the military budget for the nation under consideration as well. Resource allocation at the country level takes place after thorough review of the Country Development Strategy Statement (CDSS), the major analytical effort on a country-by-country basis. The CDSS proposes a strategy for development involving a certain level and mix of resources. After an initial assessment, recommendations are further reviewed at the project level with an assessment of resources vis a vis project needs. The key decision at the project level involves use of human resources and the availability of appropriate personnel to implement a given program.

Herrick underscored the fact that projects must be viewed in the larger development context and analyzed with the intention of maximizing impact and multiplier effect for each dollar used.

In terms of increasing the impact of AID resources, Herrick urged consideration of broad, macro-issues and a broad-brush approach to development. She noted that each development decision has policy implications which must be considered in the long-term development of any given nation.

Javed Burki, of the World Bank, discussed resource allocation from the World Bank perspective. He began by citing three types of resources available through three different instruments. First, non-concessional loans at approximately 10 percent interest are available for creditworthy nations from the International Bank for Reconstruction and Development (IBRD). Non-concessional loan total commitments now reach \$10 billion per year. Second, concessional aid which is administered through the International Development Association (IDA) goes to many LDCs. Concessional aid granted for 1984 was roughly \$3 billion. Third, some nations are eligible for equity finance delivered through the International Finance Corporation. The amount available ranges between \$500 million and \$1 billion per year.

Burki observed that PVOs are most active in nations that received the majority of Bank resources through concessional aid through IDA.

As with AID, World Bank resources are allocated on a country-by-country basis. Country-specific analyses are undertaken that review four criteria:

- 1) GNP per capita. Countries with GNP per capita income of approximately \$750 or less are eligible for Bank loans, but the bulk of IDA aid goes to countries with per capital income of about \$400.

- 2) Creditworthiness. The more creditworthy the nation, the less IDA funds and the more non-concessional loans it can acquire. For instance, India has received a steadily declining share of IDA as that nation has become more creditworthy.

- 3) Sufficiently developed infrastructure. The ability of the given nation's infrastructure to support the loans through administrative structures.

- 4) The extent of the poverty of the nation. The poorer the country, the more IDA money it is likely to receive.

In looking to the future, Burki described two scenarios over the next decade. First, he described the "high case scenario". The high scenario is dependent upon: Reasonable rate of growth in the industrialized countries; access to developed countries' markets by the developing countries; continuation in the flow of resources to the developing countries at concessional and non-concessional rates; and good economic management within the LDCs.

If these assumptions are met, then the rate of growth in the LDCs might go up to 5 percent per annum in the high case scenario. In the "low case scenario", growth would only reach 4.5 percent per year.

Africa does very badly under both the high and low case scenarios. In the high case scenario, there is likely to be a zero percentage increase in per capita incomes. In the low case scenario, African growth rates would actually decline. In short, no matter how hopeful the world economic picture becomes, there will be a decline in the per capita incomes of the African poor. Currently, 60 to 65 percent of African populations live in absolute poverty, which is defined as per capita income under which a family cannot provide itself basic nutrition. Under the low case scenario, the percentage of populations living in absolute poverty will explode to 80 in the next few years.

To respond to the problem, the Bank is redeploying its resources in two ways. First, the Bank is seeking to generate new financial resources. Second, it will deploy these additional resources to generate and maintain African development.

Given the urgency of the Africa situation, the Bank is shifting its resource allocations and project priorities. The Bank has developed a tripartite approach which includes: systems maintenance to preserve existing economic systems in Africa; additional economic resources to restart development; and infrastructure creation for maintaining development--human, physical, and institutional.

In Africa, the critical need at present is for increased concessional resources which normally come through IDA. Since IDA was replenished at \$9 billion rather than \$12 billion as requested, the Bank has created a special fund for Africa to meet the shortfall. Bank officials hope to generate \$1 billion per annum for at least the next three years to cope with the growing crisis.

Burki concluded that African disasters and economic dependency constitute the most serious development problem facing the world today.

Margaret Goodman, staff consultant to the U.S. House of Representatives Foreign Affairs Committee, considered the question of resource allocations from the perspective of a 10-year Capitol Hill veteran. Goodman began with two observations. First, as the ultimate budgetary authority and overseer of the nation's resources, Congress is, by nature, conservative and reactive. Secondly, when one looks at foreign aid over the long view, there have not been dramatic changes in the proportional amount of direction of U.S. foreign assistance.

At the time of the December ACVFA meeting, Congress was grappling with the FY 86 budget. In the final analysis, Goodman noted that the budget would reflect the integration of the initial request and the dollar amount of the previous year.

The budget will contain a mix of military assistance, economic support, and development assistance funds. The military and Economic Support Fund assistance will be shaped largely by political considerations and have earmarking for specific countries, while the Development Assistance Account, will focus on technical assistance and economic needs among the LDCs.

Goodman observed that certain strategies and ploys are involved in the budget process. For instance, certain line items come in really low so that a given Senator or Congressperson can take credit for increasing the appropriation and demonstrate concern and compassion. The American Schools and Hospitals Abroad program which usually comes in at \$7 million and usually wins an appropriation of \$25 to \$35 million is one example. Contributions to UNICEF and UNDP offer another example. The functional accounts categories represent a fairly consistent approach to development. Although there may be minimal rearranging of priorities from year to year, basically Congress has shuffled only small percentages of funds at the margin.

The main issue in looking at the Congressional role in resource allocation is not looking at the specifics of the Development Assistance Account, but looking at the balances among the larger accounts of military assistance and ESF. Overall, there have not been dramatic shifts in foreign aid priorities within the past 12 years. The New Directions legislation of 1973, which emerged as a reflection of the disenchantment with foreign policy and foreign aid as an instrument of that policy, still provides the basic guidelines for development assistance more than a decade later. Authorization and appropriations levels have remained remarkably steady.

Goodman maintained that there have not been significant changes within the past three years. Over the past three years, FY 81 through FY 84, ESF and military assistance funds have increased by 49 percent, while DA funds have remained constant, declining slightly in real terms. This indicated to Goodman that the foreign policy goals of AID have narrowed, as assistance focuses more and more on economic aid and international economic systems management. The corollary to this phenomenon is a greater emphasis on military security to protect the economic systems that we are attempting to manage.

Further evidence of the consistency of foreign assistance is the fact that the priorities within the functional accounts have changed very little. The education account is down somewhat, while population funding has increased marginally. Agriculture/rural development has been maintained as the largest account, providing almost 50 percent of the Development Assistance Account.

In conclusion, Goodman reiterated that any specific program changes were, again, working at the margin. Goodman noted that the current administration's emphasis on institution-building and private sector analysis follows the same themes as those of previous administrations. The ability to accommodate this focus without any change in basic legislation indicates the flexibility of the 1973 legislation. On a cautionary note, she said that even though there have been no sea changes in direction in the past 12 years, Congress does react when foreign aid abuses are called to its attention. GAO reports, press accounts, and reports of inspectors general may all impact specific programs within the DA account.

In the discussion following, Ambassador David Bolin asked a three-part question. First, he requested clarification of the total FY 85 budget figures for the development assistance and ESF accounts, as well as PL 480. Second, he sought the percentage of total AID provided to Egypt, Israel, and South Korea. Thirdly, Ambassador Bolin asked what reallocation of resources is occurring within AID to meet the problems of Africa.

Goodman responded that the entire appropriation was approximately \$14 billion, including both multilateral and bilateral assistance. AID development assistance is approximately \$2 billion; ESF is \$4 billion; and military assistance is \$6 billion.

In terms of foreign assistance to Israel and Egypt, Herrick reported that Egypt received \$815 million in economic support funds, an increase over the past years in which Egypt had received \$750 million per annum. In past years, Israel had

received \$1 billion in economic support funds; however, the Israeli appropriation had been raised to \$1.1 billion for FY 85. In both instances, the increases were Congressional initiatives. South Korea is a graduate of AID development assistance and, consequently, receives nothing.

In terms of Africa support, the Administration is providing financial assistance to the limits of African absorptive capacities. Over the past four years, the budget request for Africa has risen each year. This year AID requested a half billion dollars through the Economic Policy Initiative for Africa. In addition, \$75 million in economic support funds have been appropriated to African countries which are undertaking serious policy reforms which will increase their ability to handle development problems in the future. Food aid for Africa will be a separate request from AID.

Goodman commented that total aid to Egypt and Israel, including military assistance, totals more than \$4 billion; thus the question of resource allocation priorities is a valid one. Ambassador Bolin then commented that in view of budget deficits and the burden on taxpayers, Israel/Egypt appropriations should be reexamined.

Dr. William Walsh, of Project HOPE, asked about prospects for further funding of the Caribbean Basin Initiative and appropriations for the recommendations of the Kissinger Commission. Goodman, noting that the recommendations of the Kissinger Commission are a five-year package, responded that she anticipated that levels of funding for the implementation of the Kissinger Commission recommendations will remain high. The CBI has taken a back seat to other Central American initiatives.

Mark Ball commented that one cannot separate Egypt and Israel from the foreign assistance whole because they are competing for dollars with Africa and Central America, and the total economic pie is limited. He then asked what coordination efforts are currently underway in both Washington and the field. Herrick responded that on a country basis, AID and the World Bank are in basic agreement on fundamental problems. In addition, AID relies heavily upon the economic analyses of the Bank on a country-by-country basis.

Burki commented that the mechanism that the Bank recommends for purposes of coordination is the consultative group. Bank officials believe that the number of groups should be increased, particularly in light of the current crisis in Africa and the growing involvement of four or five key donors, including AID. The Bank aims to have all providers of

assistance follow mutually-consistent policies. The Bank views its own role as one of strengthening the program formulation process in-country and then facilitating the policy debate among aid donors in consultative groups.

Peter Davies, president of InterAction, asked if AID is planning to go beyond reallocation of existing resources to seek from Congress a substantial funding increase for Africa, as well as develop an imaginative program that involves health, nutrition, agricultural production and other key elements of development in a manner similar to the package that was developed for the Caribbean as the CBI. In response, Herrick cited the economic policy initiatives already undertaken for Africa and added that increased allocations to Africa from functional accounts would continue.

Panel II: Private Sector Perspectives

Having examined the resource allocation process from the public sector perspective, the second plenary panel viewed the resource allocation process from a private sector perspective. Representatives from the foundation, corporate and PVO communities had been invited to discuss the determination of priorities, utilization of evaluation findings and coordination with other private sector initiatives with a development thrust.

Davies began the discussion. He divided resources into four basic groups: 1) transfer payments; 2) food aid; 3) human resources transfers for participant training and other education/training programs; and 4) resources mobilized from indigenous sources. He also identified three sources of key funding for PVOs: The U.S. government; U.S. private sector; and indigenous resources in host countries.

Davies noted that U.S. PVOs have done little to tap multilateral sources of project support such as the World Bank and the European development funds. InterAction, through a committee system, has identified four areas that have implications for resource allocations.

First, InterAction has proposed to AID a new, substantially expanded health program involving PVOs which would effectively utilize a higher percentage of the \$248 million allocated for health care initiatives for FY 85.

Second, another specific concern of PVOs on the policy side is whether to push for earmarked funds. Noting the earlier discussion which described the low percentage of earmarked funds in the foreign assistance accounts, Davies observed that PVOs must decide whether they want to exert greater pressure for earmarking, since health, nutrition, rural development and agriculture earmarking may help in responding to immediate needs and crises.

Third, those PVOs involved in disaster relief are concerned about the availability of adequate ocean freight reimbursement for shipments of food as well as commodities-in-kind shipments. Adequate ocean freight reimbursement is critical to PVOs if they are going to continue to be involved in commodities-in-kind shipments.

Fourth, discussions are now underway between InterAction and the Africa Bureau to undertake an in-depth analysis of PVO participation in development initiatives in sub-Saharan Africa. The study will focus particularly on those PVOs working on long-term development needs as opposed to those working primarily on relief efforts.

InterAction is discussing with AID's Office of Private and Voluntary Cooperation (PVC) a mechanism whereby PVOs can participate in the development of the Country Development Strategy Statements (CDSS) at an early enough stage to have a significant input in shaping the final document.

InterAction is also involved in several private sector initiatives. Davies focused on two of the association's concerns. First, he raised concerns on proposed tax legislation which may have the effect of substantially reducing charitable giving. The PVO community is monitoring the legislation closely and making a strong case against the legislation because of the deleterious effect on donations for international development programs.

The second PVO initiative involving the private sector concerns the blocked currencies programs. (Blocked currencies are U.S. assets which are frozen due to expropriation or political changes in various nations.) Noting the small percentage of corporate giving which is allocated to international development activities, InterAction's fundraising committee is very interested in exploring possibilities of developing jointly with U.S. corporations and the Council on Foundation blocked currencies programs.

Davies concluded with a plea for the PVO community, donor agencies such as AID and the private sector to increase coordination to assess Africa for long-term solutions to the continent's intractable development problems and to rethinking the allocation of resources.

James Joseph, president of the Council on Foundations and a member of the ACVFA, began his remarks by noting that the resources of private foundations are meant to supplement, not replace those of government. He felt that PVOs tend to exaggerate the role of the private sector and de-emphasize the traditional role of government.

Joseph went on to identify six different approaches foundations use in determining priorities for grants for development assistance.

1. The transnational perspective. In this approach, the goals of foundation projects overseas are similar to their domestic goals. Such an approach, embodied by the Ford Foundation, allows the institution to take advantage of the natural links between program activities in the U.S. and overseas. Largely, general purpose staffs are organized into a single program division, without a separate international division.

2. National or domestic perspective. In this plan foundations restricted in their charters to domestic grantmaking engage in international activities for the Third World through U.S. PVOs. The Howard Heinz Endowment in Pittsburgh is an example.

3. Specific purpose and donor preference perspective. These foundations, usually smaller than the large, general purpose foundations, are founded with a specific focus set in their charters and thus resource allocations are concretized from the foundation's inception. An example of such a specific purpose foundation, one active in Latin America, is the Tinker Foundation.

4. Host country or host community perspective. Many companies and corporations offer priority in terms of corporate giving to those countries in which they operate subsidiaries or plants. Exxon, for example, offers \$12 million in nations overseas in which the corporation operates.

5. Collaborative perspective. Many foundations and corporate giving programs, particularly in the international grantmaking community, share ideas, priorities and resources, and collaborate with host country governments. The Council on Foundations is currently providing a program of core services to international grantmakers. Grantmaking in the Third World is a burgeoning field, involving grantmakers from AID, PVOs and the UN system. Joseph noted the tendency for grantmaking to become advocacy as foundations actively involved overseas encourage their colleagues at other foundations to become equally interested in development problems of the Third World.

6. Evolutionary perspective. The last perspective identified involves those foundations that are reassessing their priorities. Carnegie Corporation, for example, decided to set new priorities and engage outside experts to help develop its new programs.

Joseph, commenting on foundations' performances in the area of disaster relief, noted that foundations are usually bound by specific mandates and are not able to respond rapidly and effectively to disasters and emergencies. However, foundations can aid in identifying and working to eliminate root causes. Moreover, foundations can help introduce techniques to manage disaster preparedness, rather than offer aid to ameliorate disaster situations.

Joseph concluded by noting that each foundation and corporate giving program can determine its own priorities. Each foundation has its own internal clock which ticks to an ongoing sustainable effort of private compassion rather than to emergencies or transient politics. In short, foundations are characterized more by their differences than by their commonalities in providing development assistance to the Third World.

Henry Forrest, an executive consultant with Control Data Corporation (CDC), began his remarks by offering a brief history of CDC as a company that has grown from six men and no business in 1957 to a company that employs 56,000 persons with sales of \$4.7 billion in 1984.

Forrest described the evolution of educationally-oriented computers from their development at the University of Illinois to an evolution into the major component of CDC in 1978. Forrest underscored CDC initiatives in the developing world, especially in the areas of education and training, as a massive resource allocation that demonstrated corporate priorities. Forrest said that by 1990, Control Data expects its education component to be the largest part of its business.

Forrest described CDC's computer-based learning model, Plato, and its evolution through more than 20 years. He noted that although CDC is active in 147 countries with an investment of several hundred million dollars, only in 1984 did its computer based literacy and competency programs turn the profit corner.

Plato, as originally conceived, was a computer-based learning program developed at the University of Illinois. In 1965, CDC supported work at the University of Illinois with two large computers, 1604s, and research and development grants. In 1976, CDC went commercial while the Illinois facility remained involved with university-based applications. CDC currently runs 48 schools around the world.

In the question period that followed, MacCracken suggested a private initiative in which the Council on Foundations, InterAction, and Control Data might develop a computer-based information center on PVO activities abroad based on the Technical Assistance Information Clearinghouse (TAICH) model.

Joseph responded that the grantmaking community might look favorably upon such a request if it were perceived to be a priority in the field. Williams noted that one difficulty of disaster relief, particularly in the case triggering the wheat reserve, was the paucity of accurate data. He stressed the difficulty, particularly if decision-makers are going to base their decisions on an organization's input. Davies said that a disaster responsiveness information clearinghouse is currently being established in New York. In response to MacCracken's challenge, Davies said that what PVOs needed was the secondment of an expert to help establish such a clearinghouse. Also, InterAction is currently circulating a \$150,000 proposal to establish an information clearinghouse, particularly for use in the fundraising community and by those interested in development education.

ACVFA member Julia Taft called for a stronger dialogue between development professionals and refugee relief workers. Davies responded that he, too, saw the need for increased dialogue between the two groups, particularly in moving away from resettlement to wider development issues. Joseph will sponsor a conference in April 1985 to explore possibilities for collaboration between refugee development specialists and refugee relief workers among the 20 largest European and U.S. foundations.

Martin Kriesberg, Office of International Cooperation and Development, USDA, addressed the problem of inadequate information to meet emergencies. Kriesberg described an interagency committee that has been formed to systematize information on food needs in specific AID recipient countries.

Glen Leet, co-director of the Trickle-Up Program, observed that the development community has not prudently used those resources which already have been allocated to its use. He cited problems with food aid projects and the lack of innovative programs using local currencies as two examples. Moreover, he noted that several procedures employed by AID and other donor agencies effectively block the availability of development resources to the average person in a developing nation.

A final questioner asked Forrest what set of policies are needed in the LDCs to stimulate private initiatives. Forrest responded that first, LDC representatives must understand what the technologies are and how they will benefit development in their countries or any given LDC. More knowledge of emerging technologies and more participation in devising ways to apply them in LDCs are also needed. Joseph responded that LDCs need more sophistication in contract negotiations which serve both the LDC's development interests and the interests of the transnational corporation. LDC officials must learn now to negotiate technology transfers of the present and understand the potential of future technologies. These negotiations are best performed by nationals in-country.

AFTERNOON WORKSHOPS

The six afternoon workshops were developed to build upon the themes and concepts of the morning. Each panelist had been asked to assess his or her organization from a variety of perspectives. First, each was asked to analyze resource allocation trends by budget appropriations. Second, panelists were asked to look at evaluative tools employed in their organizations and methods of disseminating evaluation findings. Third, panelists were asked how new data was incorporated into resource allocation decisions. Were evaluation findings used extensively? At all? Fourth, panelists were asked to discuss any collaborative areas in which their organizations were involved. The fifth workshop focused on disaster responsiveness in general and the sixth workshop highlighted disaster relief efforts in the African situation.

Each panel was comprised of an AID official, at least one PVO representative, and an outside resource specialist on the sector being discussed.

The workshops featured both conventional planning and contingency planning sessions. Based on AID priorities and the Agency's strategic plan, four sectors were selected to be highlighted: Education, health, agriculture, and energy/natural resources.

EDUCATION

For many development planners involved in strategic planning, education is a critical factor for long-term human resources development and indigenous capacity-building. In their views, resource allocations to education and training programs are critical to development success.

The workshop, chaired by Dr. Marie Gadsden, focused on the possibility of collaborative efforts between PVOs and universities and AID's role as a facilitator of such collaboration. David Sprague, Director of the Office of Education, Bureau for Science and Technology, began the presentations. From a worldwide perspective, current policy puts priority on basic education in primary school for children, while emphasizing basic skills training outside of school for adults. Vocational/technical training is the second resource priority area. The third is participant training, either short-term technical training or long-term academic training. A new trend of interest is agricultural education, particularly in higher education.

Giving an historical perspective, Sprague noted that in the 1960's and 1970's the AID emphasis was on building an educational base--institution-building through construction of physical plants and educational facilities, educating key faculty members, and developing a manpower planning capability. The regional emphasis was on Asia. Africa was receiving roughly the same amount as it is currently allocated for education; however, current innovative loan programs and concessional aid increase the actual dollars available for education programs.

With the New Directions mandate of the seventies and its focus on the poorest of the poor, AID moved toward expansion of education opportunities for large numbers of beneficiaries and focused on non-formal education as an alternative to formal education to reach large groups of persons without literacy or numerary. A major priority area for the seventies, non-formal programs, were implemented through a variety of programs. One of the most notable was instructional radio.

The earlier emphasis on construction and infrastructural development has all but disappeared. School construction has become rare, save for special circumstances such as Egypt.

Sprague observed that there is a growing disenchantment with education and a belief that it has not fulfilled its promise. Education, time-consuming and long-term, has difficulty in developing a constituency. Long-term does not win easy Congressional approval .

In terms of monetary resources devoted to education, the largest donor is the World Bank. Developing nations are spending large percentages of GNP on education, often 7 to 20 percent. Sprague felt that such allocations are adequate percentages of GNP to allocate for education, particularly primary education.

Non-formal education has lost its luster. Too much was expected from it, as it was billed as an alternative to the formal system. It could not and cannot replace formal schooling. The projects, labor and management-intensive, are difficult for AID to manage.

Vocational education is a current and lasting emphasis within education. However, U.S. planners have relied too heavily on transporting U.S. models to LDCs. Vocational education efforts should involve more participation by local organizations and create, active roles for local employers. Vocational education offers an area of potential collaboration between employers and indigenous PVOs.

Another current priority is participant training, particularly in Central America. Although there is a political dimension--the Soviets are training 100 times the number we are--it is a useful exercise.

Finally, agricultural education is growing in importance, particularly in Africa, as education specialists and development planners seek ways in which education can help to solve this intractable development problem.

Turning to funding, Sprague stated that 60 to 70 percent of central funding for education is going to labor development--AID's effort to assist labor movements around the world. Latin America has the largest amount of PVO activity in education, predominantly through vocational training. Opportunities Industrialization Centers, International (OICI) is the largest PVO working in Africa in vocational education, while AID's Near East Bureau has only one project--a women's non-formal education program in Morocco. In Asia, the new trend in education is co-financing of education projects.

In conclusion, Sprague noted that long-term education trends seem to be moving away from PVO involvement in offering either formal or non-formal education services. Lamenting this trend, Sprague called for an increased dialogue between PVOs and AID officials.

Chairwoman Gadsden, building on Sprague's theme of the importance of agriculture education, commented that Africa is predominantly an agricultural continent and many nations are demonstrating a growing awareness of the need to promote agricultural careers among young African professionals and the need to link agriculture and education.

Haleh Wunder, director of Community Education and Outreach, Oxfam America, gave the second presentation. Wunder prefaced her remarks by noting that Oxfam, a small people-oriented PVO, accepts no federal funding and has a relatively modest annual budget of five-and-one-half million dollars.

Wunder said that Oxfam's primary goal is to increase the options of the poorest of the poor in the developing world. The organization is specifically interested in projects that address the acquisition of income-generation skills, access to land, tools and credit, and the ability of local persons to participate in decision making processes at both the local and national levels.

Oxfam's long-term objective is to work with local groups and PVOs to assist in institution building to sustain the development process.

Education programs are well integrated and Wunder noted that, in a sense, everything that Oxfam does has an education component. Education is a process including problem analysis, needs identification and use of locally-available resources to meet needs, and identification of methodology to meet the needs.

Wunder pointed out that evaluation is particularly important for a small PVO, for the limited resources make the allocation process, based on concrete evaluations, even more demanding since there is no latitude for errors.

Oxfam has several learnings to share from its evaluations. First, a type of literacy exists that is culture-relevant in a manner that may not involve reading and writing in the traditional sense, but this type of literacy incorporates use of symbols--through charts and graphs--to communicate.

Second, Oxfam has found that the involvement of women is critical to project success. The importance of women and obtaining their viewpoints cannot be overstated.

A third evaluation finding is the fact that people at the village level are transmitting their development experiences via radio to nearby villages. Radio is truly an instrument of education.

In terms of evaluation, Wunder said that individual motivation in both project identification and evaluations was essential.

Finally, Wunder, having observed the growth of South-South exchanges, urged PVOs and government donor agencies to support this fairly new method of sharing information. These exchanges offer a cost effective way to maximize resource utilization.

Dr. Neil McAlpin, consultant to the Edgerton Agricultural College Project (Kenya), began his presentation by asserting that supervision is 95 percent of any development program success.

Reflecting on Edgerton College, McAlpin noted that it was useful as a laboratory practicum. He pointed out that education must be practical and related to the daily problems of the persons being served.

McAlpin also said that people must go back to basics and learn to appreciate the relationship among agriculture, education, and development. Education in LDCs should have practical utility, particularly in rural areas. Courses that are particularly relevant include horticulture, food preservation and storage, and hydrology-related courses such as water and irrigation systems management.

McAlpin said that AID's major contribution in education is in disseminating findings of previously successful projects. McAlpin called upon AID to expand its work in the dissemination of its findings.

In the discussion following the presentations, the potential of private sector involvement in vocational education programs was raised. Several participants noted the link between private sector skilled employment needs and vocational training programs and called for closer coordination between industry and educational institutions.

AID participant training programs were discussed from the perspective of educational planning. It was noted that neither the training institution nor the new graduate has authority to determine the new graduate's placement when he or she returns home.

It was also noted that the AID policy paper on education does not reflect the Agency's current priorities and should be revised.

HEALTH

The health workshop was chaired by ACVFA member Dr William Walsh. Dr. Walsh began with four specific comments on the morning session. First, he noted that immediate, urgent development priorities often prevent serious consideration of long-term development issues; consequently, health concerns tend to focus on primary health care to the detriment of long-term policy of analysis of health issues such as training and teaching of health care professionals and the economic management of health systems.

Second, Dr. Walsh remarked on the theme of increased development roles for the private sector in various LDCs, and the need for greater coordination between PVOs and private sector. Walsh noted such coordination is difficult because of the embryonic nature of the private sector in most nations of the developing world.

Third, in terms of establishing a computerized information management system for PVOs, Walsh cautioned that the estimate should be increased from \$150,000 (mentioned in the morning session) because that is an underestimate. He said that health-oriented PVOs attempted to establish a system for the health care community, found start-up costs too high and gave up the effort.

Finally, Walsh cautioned that though the morning session had focused overwhelmingly on Africa, the developing world is not Africa alone.

Nick Danforth, Evaluation Manager, Management Sciences for Health, offered a general overview, identified projects that have worked, and ways of measuring project effectiveness. Danforth said that health evaluations are often risky undertakings because the impact of primary health care programs is hard to measure. It is difficult to get accurate data from remote areas and difficult to set up experimental designs with control groups who are receiving services.

Moreover, impact measure take years to assess and require large quantities of data to develop policy-relevant conclusions that can meet tests of validity and reliability. Danforth sees a need to standardize data, but in the meantime, we must continue to evaluate, using anecdotal data and direct observations. Development practitioners must concentrate on process evaluations as opposed to summaritive evaluations which focus on outcomes.

PVO projects have many strengths not found in large government projects. First, PVOs often work closely with ministries of health and have a first-hand understanding of local situations. Second, PVOs usually have highly-committed staffs, and third, PVOs are usually careful on cost control.

Danforth identified two types of PVOs involved in health care projects in the field. The first group is comprised primarily of large PVOs with a large in-country presence. These PVOs have usually developed clinic-based or hospital-based systems with widespread networks to provide curative services. This group of PVOs is concerned with health policy changes and the organization's institutional development, often with indigenous chapters of affiliates, in the host country. The Salvation Army is an example of such a large PVO. Danforth suggested that such large PVOs should aim to move from clinic-based to village-based service delivery in countries where the infrastructure is sufficiently developed to allow this.

The second type of PVO focuses on institutional development, working to strengthen the capabilities of health and other ministries, and other PVOs. Usually working on a regional level, this group of PVOs does not have infrastructures on the ground. They provide technical assistance in planning and focus on institutional development as opposed to establishing clinics or hospitals in-country. Helen Keller International and its provision of eye care training in conjunction with existing primary health care delivery programs is an example of this second type of PVO.

Danforth concluded by emphasizing that important output measures can be developed. He recommended that evaluators reduce their emphasis on measuring impact and try to improve their capability to monitor project outputs. Second, evaluators and development practitioners should try to work with existing organizations in host countries and avoid creating any entities. PVOs should try to work with existing private and public sector institutions, including small businesses, cooperatives, indigenous PVOs.

Ralph Montee, Director of Program Development and Evaluation, Project Concern International, opened his presentation with a brief description of Project Concern. The organization is involved primarily with the training of community level health workers and development of primary health care programs in Africa, Latin America, and the Pacific. The organization emphasizes creating local capacity, training of front-line health care workers, training of trainers and supervisory staff, and developing the administrative and pharmaceutical support systems that enable the new worker to function.

Montee stressed that beneficiaries support primary health care programs because such programs provide curative care as well as preventative care. He views the concept of primary health care as at the cutting edge of development and feels that all programs should be multi-sectoral.

Before describing successful collaborations, Montee discussed existing programs, noting that there is a dearth of information on PVO experience in health sector programs. In citing successful health care projects, Montee identified programs in Senegal, Indonesia, Bolivia, and the Gambia. Montee identified several factors contributing to the successes of local projects. First, most had local beginnings and steady growth. They were not massive in scale. Second, the project managers were flexible and able to adapt learnings and incorporate feedback from project participants. Third, local citizens were involved in each phase of the project through an approach that used organizational development as integral components of the social planning process. Fourth, the projects mobilized local resources and involved some financing by indigenous people. Fifth, a leadership that propounded a primary responsibility to the disadvantaged was present in every successful project. Sixth, a holistic approach was used as people realized that preventative and curative health care could only be successful as part of a larger development intervention that encompassed other sectors.

Turning to PVO-university collaboration, Montee noted that the Joint PVO-university Rural Development Center of which he is a fellow, specializes in developing and strengthening PVO-university collaboration. The Center attempts to integrate the technical and research capabilities of universities with the community-level expertise, field experience, and local organizational structure of PVOs.

The ACVFA commissioned Montee to conduct a study on the topic. He has surveyed 300 universities and PVOs; 135 have returned full responses. Eighty-two of the 135, or 61 percent, have been involved in collaborative activities, while 124 of the 135 are interested in future collaboration. The bulk of the responses came from the university side. Agriculture and rural development-oriented institutions represented 23 percent, while health and family planning-oriented groups represented 21 percent. Montee urged more PVOs to think of PVO-university collaboration as an innovative way to attack development problems and stretch limited resources.

Montee concluded his remarks with thoughts on maximizing the impact of project dollars. First, PVOs should be encouraged to collaborate in the field and to develop regional expertise. This kind of specialization could dramatically strengthen the contribution of PVOs in the total development process.

Second, AID and other bilateral donors should move away from large-scale, capital-intensive projects toward smaller-scale projects stressing capacity-building, skills-formation, local participation, resource-generation, and building self-reliance. In health projects, community-based health programs utilizing user fees not only help finance the project but relieve the government of having to invest thereby freeing those monies for use in other health care initiatives.

Third, AID and other donors should consider the advantages of contracting with PVOs for large-scale development projects in those geographic regions in which the PVOs have special competencies. This is particularly useful since PVOs can blend the large resources of the university with detailed knowledge of local communities and an ability to absorb new resources. Fourth, PVO-university collaboration should be encouraged, but the process within AID should be greatly simplified.

In the discussion period that followed, the question of impact versus output evaluations was raised. Danforth argued that donors must be careful that the efforts to gather data for impact evaluations do not take an inordinate amount of project dollars at the expense of the services the project aims to provide. For instance, in one Asian family planning project, the cost of collecting impact data was approximately half the cost of providing the family planning component of the project.

John Costello commented that perhaps cost effectiveness was an easier measure of overall project effectiveness than impact data. He cited an example in the Philippines in which it was virtually impossible to get the impact data, but a cost-benefit analysis resulted in useful learning on the project. Dr. Walsh cautioned that evaluation of cost effectiveness must occur after the first year or 18 months of a project because of initially higher start-up costs.

Another participant raised the question of the utility of intermediate impact measures. One of the problems of measuring impact is the methodologies which are developed for long-term evaluations. He advocated simpler measures that focused on successful outcomes and the identification of techniques to simplify the collection of baseline data.

Robert True of the Institute of Cultural Affairs asked Montee what were some of the keys to successful collaboration. Montee responded that the collaborators must respect each other as professionals. Secondly, the university expertise must be translatable into practical field terms and the PVO must be able to program university learnings in the field.

Danforth observed that sometimes collaboration was essential, particularly in health projects. First, the nature of multi-sectoral health service delivery often requires that PVOs supplement their small, in-country staffs. Second, because PVOs are often involved in capacity building, they try to identify local institutions. This search for local partners often leads PVOs to local universities, and collaborative arrangements are established between the local university and American PVO. Helen Keller International, for instance, is working with both American universities (e.g. Johns Hopkins) and the Institute of Ophthalmology of the Philippines.

Dr. Walsh observed that universities are eager to collaborate with PVOs, for in many universities international activities are not a priority. He cautioned, however, that it is essential that the PVO set the groundrules and that the undertaking is approached in a collaborative manner.

One questioner asked about women's involvement and leadership roles in health care delivery and evaluation. Danforth said that while women have been well integrated as practitioners and as beneficiaries in many countries, their roles are still country-specific.

In concluding the workshop, Dr. Walsh urged PVOs to take advantage of the incentives that AID is now offering to encourage PVO collaboration with other organizations. Walsh also urged all groups to treat any AID grant as a matching

grant. He noted that AID is unlikely to fund any project for more than three years, but that most development planners acknowledge that a five-year intervention is necessary before one can see concrete results and impact. Therefore, Dr. Walsh fundraises with a formula of \$3 to every \$1 from AID so that Project HOPE can remain in a country until it sees a difference.

DISASTER RESPONSIVENESS: THE AFRICAN SITUATION

Workshop chairman, Enso Bighinatti, opened the session by noting that the topic was certainly timely, given the urgency of African disaster relief. Hunter Farnham, representing AID's Task Force on the African Emergency, provided an overview of current AID and PVO efforts in African disaster assistance. Farnham said that in the past few years there has been a virtual explosion of food and related aid into Ethiopia. He foresaw no short end to the emergency. What is more threatening is that the Ethiopian situation will be repeated to a lesser extent in Sudan, Mozambique, Chad, Niger, Mali, and Kenya. The rest of Africa, while threatened, may avoid the problem with prudent interventions by multilateral donors and PVOs.

Looking at resource allocations for disaster relief in Africa, Farnham reported that in the FY 84 supplemental appropriation for non-food emergency assistance in Africa, AID received \$16 million to be obligated by the end of September 1984 and requests from PVOs totalling \$35 million--more than double the amount available. Three-fourths of the \$16 million has been obligated to PVOs such as CARE, Catholic Relief Services, Lutheran World Relief and others for emergency relief programs involving food distribution in Africa. Farnham regretted that there had not been more time to allocate the increased resources, for a longer planning period would have further strengthened AID/PVO coordination.

Other programs were targeted for delivery of emergency medical supplies, overall logistical coordination and other non-food relief. Farnham noted that the total appropriation quadrupled from that of FY 83.

In terms of cooperation, Farnham has been particularly gratified by the response to the African disaster of the U.S. PVO community and of the American public in general.

Projecting into 1985 and beyond, Farnham foresaw only increases in need and in monies obligated for drought relief in Africa. For instance, in Ethiopia alone \$13 million has been obligated for non-food relief items.

Hans Einhaus, Director of the UN Disaster Relief Organization, began his presentation by explaining that his office has a dual mandate: First, it is charged with coordinating donor assistance within the UN system in Ethiopia and other crisis areas worldwide; and second, UNDRR cooperates with bilateral donors and non-governmental organizations (NGOs). He noted that PVO cooperation is totally voluntary and commended the PVOs for their excellent organization in Ethiopia.

To enhance the coordination, several new entities have come into existence, including the Secretary General's Task Force for Africa. Two recent actions of the newly formed Task Force include preparation for an emergency appeal by the Secretary General and the development of a paper on the overview of the African emergency which addresses the major issues and lists the major donors.

At present, 22 African countries are classified as nations at risk. The UN has categorized these nations into three groups. Hard core countries include Angola, Chad, Ethiopia, Mali, Sudan, and Mozambique. In these countries, lives are endangered, there is no infrastructure whatsoever and massive interventions are required. Category II includes Bourkina Faso, Somalia, Niger, Mauritania, Kenya, Tanzania, Cape Verde, and Angola. The third category targets Benin, Lesotho, Rwanda, Burundi, Gambia, Uganda, Senegal, and Zaire.

Criteria for determining these categories include per capita income, aid per capita, and harvest prospects. There are correlations between aid per capita and the degree of immediate danger. For instance, those countries in Category I such as Ethiopia, have the lowest amount of aid per capita on the African continent. Ethiopia had \$6 per capita; Angola received \$9 per capita, while some countries received \$100 per capita.

Countries anticipating a bad harvest in 1985 include Botswana, Cape Verde, Chad, Ethiopia, Kenya, Mali, Mauritania, Niger, Sudan, and Zimbabwe.

The UN Resident Representative is charged with the coordination of all development activities in-country. However, the Ethiopia situation was so overwhelming that a new position has been created in that country - UN Resident Coordinator for Relief.

The UN would like to see a coordinated effort among donor countries and PVOs in any given crisis situation and relief effort. The handling of the Ethiopian crisis has not resulted in a model that Einhaus would like to see repeated. He noted that although UN officials had been attempting to alert the international community about the looming disaster in Ethiopia

for over a year, only the publicity following the BBC special really focused U.S. and international attention on the crisis. The outpouring of contributions, though well meaning, has resulted in a chaotic situation. Einhaus maintained that all donors want to be involved in logistics planning; however, there is no consultation going on among them.

Einhaus lamented the fact that no vision is being exercised in coordinating relief efforts in Ethiopia and in other potential crisis situations. He made the point that in terms of resource allocations, the donor community would have done a much better job in Ethiopia with less money and better coordination--thereby freeing needed financial resources for other uses.

Bighinatti responded to the two presentations. He noted that PVOs, particularly the League of Red Crosses, had been warning donor agencies about the impending famine in Africa for several years. Bighinatti opined that PVO opinions need to be taken a lot more seriously.

A lively discussion followed the presentation. In response to a question as to why UN Secretary General Perez de Cuellar had not responded to earlier entreaties by U.S. PVOs, Einhaus replied that the UN had acted, but stressed the difficulty of getting government donors interested. A related problem was money. If donor nations were not interested, the UN system could not get around the bottleneck. He also pointed out that the relatively small distribution capacity in Ethiopia limited several potential interventions.

Farnham noted that the Ethiopian Relief and Rehabilitation Commission budget was peculiarly apportioned with only 35 percent going for relief activities, while the majority of funds was allocated for resettlement. For instance, while Ethiopian officials estimated FY 85 needs at 1.2 million tons, other estimates indicated that 3.5 to 4 metric tons were needed. Given such disparities, the problem becomes more intractable and harder for donor nations and PVOs to impact.

Farnham went on to comment that the donor community had been slow to respond to the longer term economic implications of the famine. He felt that governments in crisis areas had to be pro-active in addressing the policy issues that led to the crisis in the first place.

ACVFA member Julia Taft asked how a PVO presently could become involved in Ethiopia. Einhaus responded that the new UN Coordinator in Ethiopia will be charged with providing overall guidelines. Einhaus also said that the government of Ethiopia has created 13 separate committees to deal with the crisis.

Einhaus cautioned that there is a limit to the absorptive capacity of Ethiopia. The off-loading capacity of the port stands at one million metric tons and any aid that exceeds the off-loading capabilities is useless.

Bighinatti and Farnham pointed out that the U.S. will be expanding the port facilities at Assad to handle commodities on a temporary basis related to the emergency relief effort; a Congressional injunction prohibits U.S. involvement in development activities in Ethiopia.

Alden Hickman of Heifer Project pointed out that our response must be long-term and not based on political considerations. Hickman proposed that PVOs follow the model used in Kampuchea of dividing the country into regions with each PVO working cooperatively within a region.

Several speakers alluded to the slowness with which the U.S. had responded to the disaster. Farnham reminded participants that a major budget item of the Office of Disaster Assistance is disaster preparedness. AID has been holding seminars for the past 10 years to improve LDC capabilities to respond to disaster situations. Development assistance and emergency preparedness programs are overlapping to create a holistic environment to strengthen disaster preparedness.

Glenn Leet noted that a high proportion of food is transported by women and asked about efforts to incorporate this fact into transport projects and plans to use local currencies to pay women and others involved in local food transport.

Farnham responded that more and more LDC governments must be asked to absorb greater costs in the distribution of emergency aid, e.g. in the Leet example, local transportation. Bighinatti said that the League of Red Crosses is requiring more significant in-kind contributions from the countries it is serving, while Farnham reported that increasingly LDC governments are being asked to absorb the costs of local transportation. Addressing the role of women, Farnham observed that their involvement was really nation-specific. For instance, in Ethiopia he believed that health factors would make many women too weak to work as food transporters and, secondly, the human capacity to carry enough food for distributional purposes is limited. Einhaus commented that the debate between long-term development and emergency relief was the central issue. Given the continuing degradation of agricultural environments in Africa, the problems will get worse and worse. He urged radical structural changes, not just emergency interventions.

One participant observed that Africa has been the lowest priority in terms of aid and foreign policy and suggested forming a commission similar to the Kissinger Commission. Farhnam responded that the current economic crisis is moving aside political issues and Africa is assuming a development and disaster relief priority.

C. Payne Lucas introduced his remarks by reminding us that media attention is short-lived. Projecting future crisis areas, Lucas cited Bourkina Faso and Chad. He said that it is difficult to get the media interested because the problem has not reached epidemic proportions yet.

Lucas observed that the magnitude of African development problems is so grand that no one in the development field--not PVOs, not corporations, not bilateral or multilateral donors, not the Africans themselves--has the experience or the expertise to understand or impact fully.

He made a plea to set aside turf fights among donors for the larger problem of reexamining serious, intractable problems.

ENERGY AND NATURAL RESOURCES

ACVFA member Kenneth Smith, chairing the workshop, opened the meeting by asking if there are projects in energy and natural resources worthy of replication and are there collaborative field activities between universities and PVOs.

David Rhoad, Deputy Director, Directorate for Energy and Natural Resources, Bureau for Science and Technology, AID, described agency past and current concerns in the area of energy and natural resources. Energy considerations currently emphasize technical assistance, building institutional capacity in LDCs and policy dialogue, rather than capital intensive projects such as major rural electrification projects. Natural resources refers to forestry development, conservation, and environmental impact statements. In the last six years, AID has taken a proactive approach that considers environmental issues in the design stages of any project. Two factors have precipitated the re-emergence of strong interest in natural resources. First, rapid deforestation and the potentially devastating economic problems it can bring brought forestry programs back into the forefront of environmental concern. The second catalyst for the renewed emphasis on energy and natural resources was the dramatic escalation of fossil fuel prices in the 1970s.

AID's energy and natural resources programs have been developed in response to situations which threatened to reach crisis proportions relatively quickly. These programs have been add-ons to health, agriculture, rural development and population, and other sector-specific projects.

Rhoad said that monies for energy and natural resources programs are a trade-off for other existing programs. Since AID is crisis-oriented, when another issue becomes more topical, energy and natural resources initiatives can be quickly replaced. In retrospect, the levels of effort have risen from under \$15 million in FY 78 to \$100 million since FY 80. Rhoad did not think funding will go below \$100 million again, although there is the vulnerability based on ever changing crises.

In conclusion, Rhoad discussed attracting appropriate personnel and useful personnel qualifications. Because the energy programs are relatively new, the appropriate skills and academic qualifications are still being determined.

Henry Norman of VITA said that his organization is primarily interested in renewable energy sources which can be replaced. Norman observed that renewable energy is a concept whose time came and went very rapidly. Stabilization and reduction in the cost of petroleum is the major cause. Norman believes that there will be another energy crisis in the future.

He feels that there has been overpromising by AID in this field. For instance, VITA was awarded a \$10 million contract for five years which was cut as soon as the energy crisis was over. He pointed out that the interventions that AID often requests are irrelevant to the development population being served. AID is interested in the number of barrels per day of crude oil being saved, while the population with which VITA is working uses trees as its major fuel; thus, VITA was being asked to compare apples and oranges.

VITA links its renewal resources work to other sectors. For instance, its work on mud stoves is related to agriculture. Through arresting deforestation, burn accidents to children will be reduced. Norman cited many examples involving appropriate technologies that use by-products of other activities. In Thailand, for instance, rice husks are turned into logs which are sent to refugee camps and used for cooking fuel. Citing other examples from Djibouti and Niger, Norman noted that renewable energy applications are decentralized and diverse. Norman observed that renewable energy programs impact most on people who are outside the oil economies.

David Runnalls, vice president, International Institute for Environment and Development, opened his remarks by noting that the AID energy and natural resources program resulted from pressure on AID from the environmental community. The PVOs were active supporters in getting the program started, but the non-governmental groups have been less involved in ongoing projects and program implementation.

AID compares very favorably with other nations in terms of financial expenditures, employment of personnel and policy statement on the subject. Rhoad cited three phases of the energy/natural resources issues in recent years. The first phase was development of a conceptual framework through actions such as drafting regulations, gathering data through environmental impact assessments, etc. so that agency projects could be examined in terms of energy and natural resources considerations.

The second phase involved the funding of environmental projects such as forestry, soil rehabilitation, watershed rehabilitation, water pollution control, fresh water supplies control, etc. Runnalls said that AID had done reasonably well, but given the complicated funding processes, AID officials usually under-counted their investments in energy and natural resources. This under-counting is particularly prevalent in forestry.

We are currently in the third phase of the evolution of environment resources as a development sector, as development specialists are struggling to determine the limits of energy and natural resources as a sector in relationship to agriculture.

Runnalls concluded that the concepts of energy, environment and natural resources need to be integrated into project design and evaluation, particularly in forestry, agriculture and soil erosion, at an early stage. Runnalls recommended collection of more baseline data and the development of more country-specific environmental profiles, greater involvement of more traditional development PVOs and their collaboration with traditional environmental groups.

Smith then asked the panelists what their first priority would be if they were given \$100 million and could only spend it on one development activity. Norman said he would spend it on information management, and education and training on environmental and agricultural issues. Norman also observed that even though there is an acute need for environmental education, the demand is sorely lacking.

Rhoad would also spend the \$100 million on information management. He noted that resource planning is the critical activity in energy and natural resources management and that to complete resource allocation planning effectively one must have information. Unfortunately, Rhoad noted, in most countries, there is no one place where energy and natural resources management is consolidated.

Runnalls, also agreeing to the primacy of information and development education in energy and natural resources management, said that he would provide that information through case studies of success stories. He would begin with India, which had seemed hopeless 10 years ago. Runnalls would also emphasize the economic arguments that environmental protection enhances economic returns for projects in other sectors. Conversely, failure to include environmental planning can cost projects considerable sums or result in total failures.

In follow-up discussion, Forrest said that CDC was looking for PVOs with whom to work on energy and natural resources projects. CDC would like to work with information systems management, training and education in a generic sense.

The group concluded that the donor agencies will lose the race for development unless there are radical shifts in priorities and resources.

AGRICULTURE

ACVFA member LaVern Freeh chaired the meeting which included panelists representing AID, a university, and a PVO.

Dr. Anson Bertrand, Director, Office of Agriculture, AID, began the discussion by outlining broad policy guidelines of agriculture, rural development and nutrition which are viewed as integral parts of one unit. The Office of Agriculture works through universities, PVOs and private contractors to identify programs with a positive effect on agricultural production and nutrition.

AID policy guidelines emphasize policy coordination among sectors. He referred to the four pillars policy of the Agency. The first pillar focuses on agricultural policies within a specific AID recipient country. The second pillar addresses human resources and institutional development. Thirdly, agricultural policies are related to efforts to involve the private sector at all levels. Fourth, the program must be integrated and holistic.

AID policies mandate that agricultural projects must incorporate nutrition concerns as well. Programs must anticipate changes that are likely to occur, e.g. labor force changes, off and on-farm employment, etc.

Bertrand stressed the involvement of the host country in the formulation of agricultural development plans and also the involvement of U.S. PVOs in the implementation of these plans. One-fourth of AID's agriculture appropriation, approximately \$50 million, was allocated to PVOs for field projects in agriculture, rural development, and nutrition in 1984. The amount will probably rise to \$59 million in CY 85. The trend has been to increase the PVO allocation annually; it has risen from \$38 million in 1981, to \$38.8 million in 1982, to \$51 million in 1983. With the exception of FY 84, (just under \$50 million) there has been a general growth trend. The greatest rate of growth has occurred in Africa, where funding has increased from \$6.2 million in 1981 to \$14.2 million in 1985. Another growth area is Food for Peace.

PVO projects are found in many regions: Thirty-eight projects ongoing in 18 African countries; 20 projects involve 6 Asian countries; Latin American/Caribbean PVOs are involved in agriculture-related projects in 12 nations in 68 projects.

Bertrand concluded that the trend in agriculture is for greater PVO involvement and efforts to encourage collaboration with universities and other PVOs.

Dr. Jane Knowles, on leave from the University of Wisconsin, spoke from the perspective of a large, public, land grant university that views its mission as teaching, research and public service. She observed that the resource allocation process at a state university was very different from that of PVOs or government agencies because the ultimate source of university funding for international activities is the people of the state of Wisconsin.

Institution building and technical assistance/research are the primary foci of the University's international activities. By their very nature, both of these activities are long-term undertakings. This puts the university projects in conflict with funders who allocate resources for the short term, rather than the long-term necessary to see results from institution building and technical assistance/research.

Knowles also noted that international projects are expensive and becoming mores, while the shrinking dollars make resource allocations for these projects smaller and less of a priority. The university has responded by redesigning its programs or the promotion over which it has control. For instance, in its Indonesia project, only one to two faculty

members from the University of Wisconsin are resident in Indonesia rather than the more than 25 to 30 faculty persons who were resident in Nigeria and Brazil in earlier phases of similar projects.

Practical, results-oriented research is still a priority, but funding is limited. Knowles presented the dilemma of attracting funds for new research. She said that there is increasing awareness among the international community of the importance of women in producing, distributing, and maintaining the world's food supply, but there has been no commensurate ability to fund research in this critical topic.

Knowles addressed the pivotal role of U.S. universities in providing the training programs for the next generation of leaders in the LDCs and international technical assistance experts. Questions of resource allocations become less compelling if there are not enough trained people to form a development constituency and lobby for much-needed funds.

In conclusion, Knowles observed that universities and PVOs have complimentary, not competitive roles. Citing Africa as an example, Knowles asserted that universities should not even attempt to provide the short term disaster relief that PVOs are involved in Ethiopia and other African drought-torn areas.

The third panelist, Dr. Ted Williams, Vice President, Winrock International Institute for Agricultural Development, traced the development of the institution as a leading PVO interested in agricultural productivity overseas. The long-term goal of Winrock is to improve the systems to produce food and fiber in the developing world. Winrock provides technical assistance to build indigenous capabilities.

The goal of Winrock is to increase the effective availability of land, labor, capital, and education. Development, to Williams, is using existing resources in different ways, doing new things with resources whether resources increase or not. Williams sees Winrock's goal as effective institutional technical assistance to reduce LDCs human and technical disadvantages.

He reported that 60 percent of Winrock's work is outside of the U.S. Working in 29 countries, Winrock is searching for ways to work with other PVOs and the international corporate community. Winrock is primarily interested in technical assistance transfer, particularly in the areas of food and fiber production and distribution.

Winrock's second area of expertise is formal and informal agriculture education. Williams is concerned that U.S. state colleges and universities and junior colleges are not more

involved in collaborative activities with universities and PVOs overseas. Winrock is also very interested in exploring the education of foreign students in the U.S.

Winrock is also involved in public policy research. Here, too, Winrock seeks to work collaboratively. For instance, in convening a conference to examine agricultural public policy research, corporations as well as universities were invited.

The discussion addressed the dilemmas of training for careers in agriculture and agricultural education. The importance of communications in aiding the most effective use of limited resources was also stressed.

LESSENING VULNERABILITY TO NATURAL DISASTERS

ACVFA member Julia Taft chaired the workshop and introduced the session. Noting that the relationship between natural and politically-induced disasters often overlaps, she urged PVOs to help in efforts to enlarge the community of interested private and public sector U.S. organizations.

Reverend Stanley W. Hosie began the discussion. He noted that by concentrating on the South Pacific, one can see the perils of natural disasters in microcosm. First, organizations must be ready to deal with disasters as they happen. The economies of scale are no different simply because the nation is small. For example, the last big cyclone in Fiji wiped out 90 percent of local food crops and 70 percent of the housing.

Hosie believes that it is important for any PVO to have good relationships with the multilateral agencies and other PVOs in the region. An outgrowth of this coordination is a situation in which disaster responsiveness becomes disaster preparedness. For instance, in Fiji in rebuilding, new designs are developed with knowledge that they must be hurricane and cyclone resistant. Disaster preparedness handbooks developed by INTERTECT and similar organizations are being widely disseminated in schools and through civic organizations.

Third, Hosie believes strongly in networking. In the South Pacific, wherever a PVO exists, attempts are made to bring it into the network.

Frederick Cuny, president of INTERTECT, began his presentation by making a distinction between disaster preparedness and disaster responsiveness. There are various phases involved in both preparedness and responsiveness: prevention, mitigation, preparedness; within preparedness additional phases include warning phases and organizational phases; then after the emergency, there are the rehabilitation and reconstruction phases.

Cuny views preparedness and responsiveness as a continuum and underscored the relationship between development and disaster preparedness.

Pre-disaster preparedness consists primarily of planning activities. Preparedness is based on the assumption that the disaster is going to happen, but there are certain things that can be done to mitigate the shock to the community. Hopefully, one can provide a structure for the disaster response so that it can be as effective as possible in what will be very limiting and confusing circumstances.

PVOs face real limitations in disaster preparedness. Unless it is a large PVO with field staff and low turnover, long-term planning becomes difficult. Many PVOs have large staff turnovers and persons who are serving as volunteers for six months or a year. It is difficult to train persons for the disaster that may not come for five years, since staff are coming and going at a rapid rate. The question is how to integrate disaster preparedness and disaster mitigation into programming when professional personnel is likely to have a short life span and therefore the agency has a short institutional memory.

Cuny observed that securing funding for disaster preparedness is a major problem. He reminded us that we have known for years that cyclical patterns of weather behavior in Africa were due to cause another drought; however, he pointed out, it is difficult to attract funds for what may happen. Cuny felt that we must develop funding mechanisms that minimize the fluctuations through contingency planning, assessment procedures that describe conditions under which emergency funds should be released and information systems that let us move quickly to the problem. Cuny asserted that the components of such a mechanism currently exist, but we must integrate them through a major coordination effort among agencies, governments, universities, and consultants.

Cuny said that bureaucratic redtape obstructs many potential university-PVO collaborations. This is particularly unfortunate in emergency disaster relief situations, given the small number of agencies active in this sphere of development.

Cuny concluded by calling on the PVO and donor agency communities to work together in a task force to develop a grand vision, a strategy for where we as the development community want to be five years from now.

Taft introduced Oliver Davidson, Chief of Operations, Office of Foreign Disaster Assistance, by remarking that Davidson represented long-term institutional memory and capability within AID. Davidson said that he was encouraged by

the discussion, particularly Rev. Hosie's effort to integrate a disaster relief component into all of his programs. Davidson continued that in every program that AID undertakes there is an opportunity to design a disaster mitigation component.

Working in disaster relief underscores the need for planning. Davidson observed that every disaster in which he had been involved could have been less severe with adequate preplanning. OFDA has worked with a \$25 million annual budget, with an additional \$6 to \$7 million for prevention, mitigation, early warning and high-tech innovations such as satellites to look at crop yields and agricultural production.

Several constraints limit the office's effectiveness, including lack of human resources and too many disasters to manage. In addition, AID officials do not understand the importance of disaster preparedness and prevention planning until after the disaster occurs. The turmoil following the disaster is the worst time to plan rationally for preparedness. Davidson also pointed out that any failure in the relief/preparedness area is magnified and project managers are likely to dismiss the potential effectiveness of future disaster preparedness efforts.

He also noted the small number of professionally competent development organizations such as INTERTECT in this area of development assistance.

Davidson offered specific examples of effective disaster preparedness initiatives. He cited the case of repairing buildings after an earthquake in Colombia. INTERTECT trained workers to repair the buildings in ways that would be more resistant to future quakes. Fiji, Madagascar, and Dominica offer other examples of post-disaster prevention programs. Other AID sponsored preparedness and prevention programs include formulation of a uniform building code in the Caribbean and the Pan-Caribbean Disaster Preparedness and Prevention Project. The latter project is an example of multilateral agency and PVO cooperation, for participants include UNDR0, PAHO, and the League of Red Cross Societies.

Davidson's office is working with AID's Bureau for Food for Peace and Voluntary Assistance (FVA) to encourage PVOs to add a disaster preparedness component to existing programs; OFDA will try to find funds for them. For instance, Partners of the Americas has agreed to establish disaster preparedness subcommittees with each of their U.S. and international partners. In the discussion following, one participant noted that causes of disasters are systemic in nature and often based on economic constraints. He said that to have impact on disaster mitigation, we must change the international economic order.

Enso Bighinatti observed that in many nations, the disaster preparedness and relief specialist is also the UNDP representative. Since he/she is likely to be overworked, some area has to receive low priority and usually disaster preparedness is it. He also noted that he knows of few PVOs that hold disaster preparedness as a priority item in their budgeting and resource allocation processes.

The workshop concluded with the development of several recommendations which can be found in the section on workshop findings.

WORKSHOP FINDINGS AND POLICY RECOMMENDATIONS

Each of the workshops reported its findings in the third phase of the meeting.

Dr. Stafford Kay, of Phelps-Stokes, reported for the Education Workshop. Kay cited six ways to promote collaboration between universities and PVOs.

First, a need exists for greater dialogue and cooperation between AID, PVOs, and universities as to how to increase the number of participants receiving training and how to devise methods to improve the quality and effectiveness of their training.

Second, the design of development projects should involve local recipients in the identification of local development needs and ways to meet those needs.

Third, the implementation of development projects ought to involve the active collaboration of local PVOs. This is particularly important given local PVO potential to first effect, then sustain, local development work.

Fourth, organizations, both public and private, involved in development ought to assist Third World PVOs and host countries to share evaluations of local development efforts.

Fifth, the development community needs to cooperate in identifying field internships, practicum and employment opportunities for locally and externally-trained graduates and assist local training institutions to develop, sustain and expand indigenous research and extension service capacities.

Sixth, education workshop members endorsed the creation of computerized information systems to enhance information collection and sharing among development assistance organizations.

Through his presentation, Kay stressed the need for cooperation and collaboration to use effectively the very limited resources allocated to education. Three criteria for determining an effective training program were cited. The cost factor and the need to reduce the cost per participant and the effectiveness factor through which a multiplier effect leads to more persons being trained through the first participant. The third criterion is the ability of education programs to contribute to institution-building. All three criteria form a good set of measures by which to judge a program when many are competing for scarce resources.

The importance of literacy and increasing access to literacy in any long-term development initiative was raised and the view was expressed that any long-term consideration of resource allocation should include appropriations for literacy training.

Another commentator noted the importance of special efforts to incorporate women into education and training programs.

John Costello from Helen Keller International reported on the health workshop. In his overview, Costello reported that the workshop had examined resource allocations in health for the long-term. Participants had identified two priority areas for long-term consideration: Health infrastructure development and training of health care workers.

He noted that although Africa is a priority at present, the urgent need for long-range planning for appropriate resource allocations is a growing problem throughout the developing world.

Two types of PVOs had been described in the workshop. One group is comprised of large organizations with well-developed infrastructures and the capacity to deliver food and non-food emergency relief services. The second group offers skilled technical assistance. The latter group is skilled at working with local institutions to develop indigenous management skills.

Having described the framework, Costello turned to specific recommendations. First, it was the consensus that PVOs should minimize expatriate staff in any given host country. Health projects need to be multi-sectoral, involving the host country and local participants who mobilize local resources.

The workshop participants had discussed evaluations and how PVOs measure their own effectiveness. The group had concluded that impact evaluations are very expensive and probably measure changes too early, before the final outcomes are known. Costello made the point, as had others, that development is a long-term process, and to truly obtain an accurate assessment

of a project may take 10 years or more. Participants had concluded that it is better to measure project outputs and the quality of those outputs. The third recommendation was that evaluation methodologies need to be simplified, but they must still be able to withstand university/academic tests of reliability and validity.

Costello noted that university collaboration is more difficult than it seems on the surface. He pointed out that universities and PVOs sometimes have competing interests. On the other hand, many universities and PVOs have mutual respect; universities can help PVOs define their expertise and codify their hands-on experiences, while PVOs can help universities translate into action at the local level their technical expertise.

In the fourth recommendation, Costello called for increased PVO involvement in smaller community-based projects. Universities and large bilateral donors can use PVOs to implement large projects and thereby divide them into more manageable units.

Costello also called for more PVO access to missions at the CDSS development level.

As the group's last recommendation, Costello cited the need for curricular modules that would be useful to PVOs involved in a variety of development activities including organizational development and management and delivery of extension services.

In the discussion following, Morgan Williams asked how U.S. PVOs and AID worked to build indigenous PVOs. Approximately 50 percent of U.S. PVOs cite building indigenous PVOs as one of their top three priorities, while 35 percent of U.S. PVOs devote 50 percent or more of their funds to these indigenous capacity-building efforts.

Walsh observed that when local PVOs are strong, U.S. PVOs raid the organizations to take their local staffs.

Bighinatti reported for the workshop Disaster Responsiveness: The African Situation. He began by noting the current enormous interest in Africa for famine and disaster relief. AID has quadrupled its support to Ethiopia, focusing particularly on attention to logistical support.

The representative from UNDR0 reported significant progress in coordinating efforts in Africa. Currently, his office is working toward computerization of PVO and bilateral relief efforts. Bighinatti and Taft listed six countries in Africa targeted for special initiatives next year: Angola, Chad, Mali, Mozambique, Sudan, and Ethiopia.

The workshop's primary recommendation called for reexamination of African development priorities. Urging that PVOs and bilateral donors take advantage of the attention that the crisis has raised, workshop participants had observed that the development community currently has an opportunity to reexamine steps that can be taken to prevent a recurrence of this devastating disaster.

In conclusion, Bighinatti noted that although a large number of PVOs were currently working in Ethiopia, more groups wanted to respond to the emergency. He urged any PVO currently active or planning initiatives in Africa to coordinate its efforts with OFDA and InterAction.

Ken Smith reported on the Energy and Natural Resources workshop. In terms of the environment, Smith observed that we are now rebuilding what we destroyed 40 years ago.

Smith said that workshop participants had agreed that resource allocations to energy and natural resources were appropriate and useful at current levels. He noted that worldwide, there is a lack of interest in the topic among development agencies and that the U.S. is light years ahead of other donors in taking a long-term view of this issue.

All panelists had agreed that the key priority was to increase resource allocations for information dissemination and education/training on energy and natural resources management at the local level. Panelists had advocated a major resources shift away from project research to an emphasis on information dissemination.

Repeating an earlier theme, Smith noted that energy and natural resources is an area in which the perfect may be getting in the way of the achievable. He reiterated that interest in this sector must be kept high due to the long-term consequences of ignoring potential environmental damage. The group felt that the way to build that interest was to allocate resources for information dissemination based on the considerable data currently available in this area.

Williams noted that it is far more costly to repair damage to environmental systems than it is to develop and implement conservation programs which protect natural resources in the first place.

Mark Freeman reported for the workshop on Lessening Vulnerability to Natural Disasters. Freeman began by stating that the workshop participants had arrived at an overall goal: Successful disaster preparedness would occur when prevention programs were integrated into community development, housing, water systems, women in development, education and agriculture

programs. In other words, when each sector viewed disaster preparedness as an integral part of its project design and implementation, the goal would be reached.

With that goal in mind, the workshop participants had developed a substantial list of recommendations.

1. Every effort should be made to reduce staff turnovers in PVOs, especially at the local level.
2. PVOs knowledge and use of the budgetary process should be strengthened so that they can provide early assistance in cases of disaster, rather than begin the search for funding after the event.
3. PVOs should conduct more rigorous and systematic field assessments, particularly in disaster relief situations, so that appropriate changes in distribution procedures and other relief-related activities can be quickly implemented.
4. AID should reduce the impediments to rapid contract agreements, particularly when disaster relief is involved.
5. PVOs should work to strengthen relationships with indigenous groups to enhance the host country's ability to respond more quickly and more effectively to disasters. Freeman pointed out that indigenous PVOs often have credibility which U.S. based PVOs cannot develop.
6. PVOs should take more seriously the management and evaluation requirements of disaster preparedness and disaster relief. One should not view evaluation as a club held over the head of the PVO, but as a management tool that can help the PVO implement its programs more effectively and in a more cost efficient manner.
7. Both donor agencies and PVOs should strive to develop an institutional memory of development strategies that have been tried and aim to codify what works and what does not work.
8. Minimum standards should be established by InterAction for relief activities and services offered at relief facilities.
9. PVOs and donor agencies should be required to share information. Freeman cautioned that often the head of the agency was not the person with the substantive expertise and that those responsible for an information sharing system had to be careful to identify and involve the appropriate persons at each agency involved.
10. PVOs should strengthen their local networks, effective disaster for relief requires reliance on such networks.

11. PVOs and donor agencies such as AID should mount a serious effort to educate Americans as to the nature of the (African or other) disaster and then encourage Americans to send cash rather than contribute in-kind services or commodities.

12. Disaster preparedness statements should be incorporated into all Country Development Strategy Statements.

13. Both AID and PVOs should move to increase block grants to ministries and departments so that resources are not siphoned off for each new individual case. Block grants could foster better management and coordination among ministries and departments.

ACVFA member Martin Sorkin reported for the agriculture workshop. Bertrand of AID had cited long-term increases for PVO grants for projects in agriculture, nutrition, and rural development. Secondly, Bertrand had stressed that no program would be approved unless it also increased the effective participation of women in development. Knowles had stressed the long-term nature of development, citing the need to spend at least 10 to 15 years with one project to see real, measurable change.

Ted Williams, speaking from the perspective of the private sector, had said that we could increase the number of development successes through better utilization of existing resources. Sorkin stressed Williams' concern about the return of American-trained Third World students to their own countries, the greater need for the involvement of private corporations in development activities, and the need to reduce disincentives to the private sector in development efforts.

Summarizing key outcomes, Sorkin first noted that the importance of involving women in all phases of project development and implementation was the primary learning. Second, the expanded activities on the part of private enterprise in increasing their role in local production, marketing and processing. His third point was that PVOs and AID should recognize the need for greater funding for long-range development projects to help LDCs achieve economic success.

Williams noted his concern that the definition of agriculture must be expanded beyond crop production to include essential components of the food and fiber and farm forest systems.

In comments following the presentations, several participants discussed the under-utilized resources of land grant and church related colleges and universities.

POLICY IMPLICATIONS FOR AID AND PVOS

Session chairman, ACVFA member David Guyer, in preliminary remarks, noted that each ACVFA session reinforces the need to focus on long-term development goals and collaboration between AID and PVOs to achieve them. Turning themes he heard in the morning presentation, he stressed two--he first noted the theme of women in development. Remarking that it is a pity we still have a need to discuss this vital issue, he went on to say that the battle to fully integrate women certainly has not been won. The theme was coordination, whether discussing Africa or other large aid-recipient regions and nations. In conclusion, Guyer noted that the world is changing and we must make better use of very limited resources.

Herrick discerned two themes during the two-day meeting. The first theme was long-term development and the need for radical reassessment of desired development goals and strategies for reaching those goals. The second theme was coordination. She noted a strong desire for PVOs to coordinate activities, particularly in response to the African drought. Commenting on the health report, Herrick underscored her agreement that sometimes the small project is the most effective one.

Costello stated that the impact of limited resources on PVOs is critical. He suggested several means to maximize limited resources: First, an emphasis on the adaptation and delivery of existing technologies rather than the creation of new ones; second, the active encouragement of involvement of local people and institutions in determining program priorities; third, a focus on solutions to development problems through targeted interventions that can be replicated. Secondly, Costello emphasized the importance of collaboration, noting that collaboration is one means of maximizing limited resources. PVOs need the expertise that exists at universities; conversely, universities need access to policy and decision-makers.

In conclusion, Costello observed that there is still room for resource growth within the private sector and he charged PVOs with meeting the opportunities that the corporate community presents to development initiatives.

Norman Barth, Executive Director of Lutheran World Relief, began his presentation by noting that resource allocations depend on the natural and human resources available to us in the future. Barth provided the group with sobering statistics to factor into equations about development. He noted that the Western industrial base was built on high usage of petroleum products which will not be available for Third World development to the same extent. In Africa, the future portends

a severe fuel-wood shortage, extreme water problems, overgrazing, extensive desertification and food shortages so severe that adults will not be able to work and children will be mentally and physically handicapped.

In population, Barth projected that six billion persons will live in the year 2000, and 80 percent of the population will live in the Third World. Other problem areas include food growth and distribution and lack of potable water for many in the developed and developing worlds by 2010.

In discussion after the presentations, Guyer asked Herrick how AID had responded to changing demographics and recurring natural disasters. Herrick noted that AID has responded to changing economic systems. There has been a 3 percent decrease in aid to Africa; a 4 percent decrease in aid to Asia and a 10 percent increase in aid to Latin America.

In other comments, participants noted that the structures and relative roles of U.S. PVOs in working with indigenous PVOs must be changed to allow much greater participation by local groups. Indigenous capacity building must be increased manyfold.

Hickman noted that U.S. PVOs which have been most successful are those which have been the most flexible. He stressed the need for people-oriented development, pointing out that many indigenous persons do not need "education", but resources to do what they already know how to do more effectively.

Several commenters noted the importance of women in any successful development initiative. Noting that in most regions of the developing world women are responsible for the education of children, a major future resource, the importance of income-generation-skills training, and continued appropriation of financial resources to women-specific and women-integrated projects was underscored. Davies raised the question of participant training, observing that in many instances, local training is more productive. He asked as AID moves forward to emphasize indigenous institution-building, what plans are being developed to emphasize local training, either through missions or through using the enormous training skills of PVOs.

Herrick responded that training is a crucial issue. Many believe that if a nation is going to develop its own research capability, then individuals from the country must have graduate training in agricultural sciences. Herrick said that AID was not urgently searching to change its current guidelines but would welcome inquiries and suggestions as to how to better involve local persons in training decisions. She suggested that we should reassess the mix of private and public demand

for training. Agreeing that training that incorporates a local input is much less costly and more effective, she maintained that it is easy to do in the public sector, but difficult to gauge the demand in the private sector.

Boyd Lowry offered a three-part strategy to help PVOs utilize resources more effectively. Greater use of evaluations; replication of projects that have had favorable impact and positive evaluations; and continued efforts to collaborate with indigenous PVOs and other groups such as universities.

Davies responded that PVOs have the unique capability to work with indigenous groups on small-scale projects that may not be large enough for AID to deal with. The depth of learning in these small projects and the enthusiasm of local participants to share their new knowledge with others is a positive capacity that has not been fully utilized by AID. Davies called for an expanded dialogue with AID to capitalize on this PVO capability.

Guyer concluded the session by noting that two themes had emerged strongly from the discussion. First, PVOs can make a major contribution to development through their people-oriented strategies, flexibility and ability to work with indigenous groups. Secondly, each panelist and speaker had stressed the need for greater coordination of field efforts. Guyer called for AID and PVOs to fine tune specific methods for further collaboration.

PVO POLICY SUBCOMMITTEE REPORT

The PVO Policy Subcommittee of the ACVFA reported on its progress in reviewing the status of the proposal for a Comprehensive Program Grant, also known as the Partnership Grant. The Partnership Grant will involve a longer-term relationship with a select group of PVOs. The grant would focus on strategy planning for both AID and PVO sectors of high priority rather than country-specific projects, with the option for field missions to buy into activities. The content of each grant will be individually negotiated with PVOs.

The Subcommittee has also been concerned with PVO participation in the CDSS. After the June 1984 ACVFA meeting, a cable went out asking Missions how they handled PVO input. Not surprisingly, responses indicated that PVO involvement ran the gamut from consultation and participation in the conceptualization and development of the CDSS to no involvement at all. Missions have been "actively encouraged" to involve PVOs because of their unique, in-depth knowledge of local situations and capabilities.

Taft maintained that PVOs should have an institutionalized role because they are just as important as any other client. Another ACVFA member said that a close association with AID and involvement in the development of the CDSS was not always desirable. Other PVOs suggested that PVOs request consultation with missions as appropriate in preparation of the CDSS.

Dr. David Kline, president of the Fund for Private Assistance for International Development, gave a special presentation on blocked assets of U.S. corporations overseas. Kline told the group that U.S. corporations whose assets have been confiscated overseas may make a contribution in local currencies to U.S. PVOs active in the nation blocking the assets and take a tax deduction.

Kline said that although there is potential in using blocked assets in this manner, his goal is to institutionalize the process so that more funds can be made available to PVOs. Over 300 U.S. corporations and \$150 million are involved with blocked assets and the concept can be widely applied to corporations, non-profits and foreign governments.

Kline and others have established the Fund for Private Assistance in International Development. They will work with the Council on Foundations, the U.S. Chamber of Commerce and InterAction to determine the number of countries potentially involved and then create an operational structure.

Kline concluded by noting that PVOs are the group's primary clientele. The Fund for Private Assistance is not a competitor, for it has no interest in project management. The group simply hopes that it can be of help as a facilitator among corporations, PVOs and governments.

Michaela Walsh gave the report for the Subcommittee for Women in Development. She noted that while the Committee had generally approved the recommendations of the September meeting on Women in Development, she felt that a recommendation underscoring the importance of WID training through the Harvard case study approach should also be included.

Williams officially thanked Michaela Walsh for her fine service as an ACVFA member and as an effective chair of the Subcommittee on Women in Development. Walsh said that she had both enjoyed and benefitted from her years on the Committee and would like to be a part of the group that presented the September meeting's recommendations to the Administrator.

Montee reported for the Subcommittee on University/PVO Relations. Montee reported on a preliminary study on existing experiences of university/PVO collaboration. The study aimed to determine the extent of interest in PVO/university

collaboration and identify any obstacles to that collaboration. Over 300 universities and PVOs were contacted and 135 have responded. Eighty-two, or 61 percent, reported collaborative efforts. Ninety-one percent indicated a desire for more collaboration in the future. The bulk of collaboration has been in agriculture (23 Percent), rural and community development (13 percent), health (15 percent), education (8 percent), population and family planning (6 percent) and livestock projects (5 percent). Future collaboration priority areas are community and rural development, agricultural development, health, education, livestock, cooperatives, credit unions, water and sanitation and nutrition. Problems or impediments to collaboration include funding, lack of follow-through, incompatible organizational structures, bureaucratic redtape, and political problems in developing countries.

Chairman Williams thanked persons for their participation and adjourned the meeting at 12:30 p.m.

RECOMMENDATIONS

The resource allocation process enables development specialists to identify priorities and create long-term plans. Several factors play a role in the allocation process: assessment of future needs; amount and availability of current financial resources; collaborative activities to maximize the effectiveness of resources; contingency planning for disaster preparedness and relief; evaluations; and dissemination of learnings from one project to another.

During the two-day quarterly ACVFA meeting all of these factors were explored in relationship to development assistance from the public donor perspective (particularly AID) and the private sector viewpoints (PVOs, foundations and the business community). The following recommendations integrate the various themes and observations which emerged from the two-day discussion.

1. AID, the PVO community, foundations and corporations should jointly develop a computerized management information system. The community should concentrate on developing rapid and simple data-gathering techniques and information-sharing capabilities. The corporate community should also provide the technical personnel to establish and maintain the system and teach PVO personnel to operate and manage the system.
2. AID should reassess its education policy paper and redraft it so that it reflects the current emphasis on increased participant training.
3. Wherever possible, indigenous PVOs working in development-related activities should be involved in the identification of local development needs and implementation initiatives. AID should provide incentives through joint grants to indigenous and U.S.-based PVOs to ensure this collaboration.
4. The development community should cooperate in identifying field internships, practicum and employment opportunities for locally and externally trained development specialists.
5. A section on the coordination and support of disaster preparedness should be a mandatory component of every Country Development Strategy Statement.

6. Although evaluations are necessary to assess the best return of investment on financial resources, the dissemination of evaluation findings is equally as important as the evaluation itself. AID should be encouraged to look at cost-benefit evaluations rather than costly impact evaluations and to make evaluation findings more widely available.
7. AID should assess its evaluation goals and tools and simplify its evaluation methodologies, while still maintaining standards of reliability and validity.
8. Indigenous institution-building is one of the best ways to invest resources for long-term gains. AID should support U.S. PVOs as they work with indigenous groups to assist in the creation and strengthening of local institutions.
9. To maximize potential transferability of lessons learned from a variety of PVO field activities, AID should support South-South exchanges among developing countries.
10. AID should continue to encourage PVO/university collaboration by establishing a clearinghouse to link PVOs with universities with similar sectoral emphases.

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