

PN-ABH-267
73700

"REFORM OF THE U. S. ECONOMIC ASSISTANCE PROGRAM"

April, 1973

Best Available Document

INDEX

I. Documents Relating to the Redirection of the U. S. Foreign Assistance Program.

- A. Excerpt from "United States Foreign Policy for the 1970's: A New Strategy for Peace." A Message from the President to the Congress, dated February 18, 1970.
- B. Sections 501 and 502 of the Foreign Assistance Act of 1968 (82 Stat. 960), "Reappraisal of Foreign Assistance Programs."
- C. "U. S. Foreign Assistance in the 1970's: A New Approach." Report to the President from the Task Force on International Development, dated March 4, 1970. Statement by the President, dated March 8, 1970, accepting the Report from the Task Force on International Development.

PCAAA194

- D. "Foreign Assistance for the Seventies." A Message from the President to the Congress, dated September 15, 1970.

PCAAA195

- E. A Message from the President to the Congress, dated April 21, 1971, transmitting "A Report on Progress in the Transformation of the United States Foreign Assistance Program, together with a Draft of Proposed Legislation to Consolidate and Revise the Foreign Assistance Act of 1961, as amended, and other Legislation Relating to International Security Assistance, and for other Purposes; and a Draft of Proposed Legislation to Authorize a New Approach for Furthering the Economic and Social Development of Friendly Developing Countries and Areas, and for Provision of Humanitarian Relief, and for other Purposes."

II. Documents Relating to Initial Actions taken by the Agency for International Development to Implement the President's New Foreign Assistance Concepts and Approaches.

- A. An A. I. D. General Notice, dated July 1, 1971, establishing a new Bureau for Supporting Assistance.
- B. A letter from the Administrator, A. I. D. to the Director, Office of Management and Budget, dated August 5, 1971, requesting manpower levels for Fiscal Year 1972.

- C. A message to all A. I. D. field Missions implementing the President's decision to untie aid financing for procurement in the developing countries.
 - D. A memorandum from the Deputy Administrator establishing guidelines for concentrating A. I. D. technical assistance programs in priority areas.
 - E. A memorandum, containing guidelines for implementing the centralization of A. I. D. lending operations in Washington.
- III. A letter from the President to the Administrator, A. I. D., dated October 6, 1971, accepting the Administrator's Report. A report from the Administrator, A. I. D., to the President, transmitted by the Secretary of State on September 20, 1971, on the progress of A. I. D.'s implementation of the President's guidelines on Foreign Assistance in the 1970's.
- IV. "Reform of the U. S. Economic Assistance Program." A memorandum from the Administrator, A. I. D., to all employees, dated January 24, 1972.
- V. Initial Documents implementing the Reform:
- A. Establishment of the Administrator's Advisory Council, dated February 1, 1972.
 - B. Establishment of the Project Approval Committee, dated February 1, 1972.
 - C. Establishment of the Bureau for Population and Humanitarian Assistance, dated February 1, 1972.
 - D. Establishment of the Bureau for Asia, dated February 1, 1972.
 - E. Establishment of the Bureau for Program and Management Services, dated February 1, 1972.
 - F. Transfer of Functions to the Bureau for Program and Policy Coordination, dated February 1, 1972.
 - G. A. I. D. Organization Chart, dated February 17, 1972.

VI. A. "Actions Assigned to Implement A. I. D. Reform." An A. I. D. General Notice, dated February 1, 1972.

B. "Status of A. I. D. Reform Implementation." A Report, dated May 3, 1972.

C. "Status of A. I. D. Reform Implementation." A Report, dated August 1, 1972.

VII. Further Documents (A. I. D. General Notices and Phase II Papers) Relating to the Implementation of the A. I. D. Reform:

A. Bureau for Population and Humanitarian Assistance

B. Bureau for Asia

C. Bureau for Africa

D. Bureau for Latin America

E. Bureau for Supporting Assistance

F. Bureau for Program and Policy Coordination

G. Bureau for Program and Management Services

VIII. Program Guidance Field Missions:

A. "Development Assistance Planning Guidance - FY 1974." An airgram, dated April 15, 1972.

B. "Instructions for FY 1974 Field Budget Submission for Development Countries." An airgram, dated May 27, 1972.

C. "Priority Development Problems and Sector Analysis." An airgram, dated September 11, 1972.

D. "Agency Approaches to Sector Analysis." An airgram, dated November 18, 1972.

E. "Program Planning for FY 1975 and Beyond." An airgram, dated April 21, 1973.

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IX. The Administrator's Advisory Council:

- A. Status Report, as of January 15, 1973.
- B. "Guidelines on Strengthening the Innovative and Research Thrust of A. I. D. Programs," dated September 14, 1972.
- C. "Employment and Income Distribution Objectives for A. I. D. Programs and Policy," dated October 3, 1972.
- D. "Certain Regional Bureau Relationships with TAB and Inter-Bureau Coordination on Sector Emphasis and Priority Development Problems," dated October 16, 1972.
- E. "A. I. D. and the Relatively Less Developed Countries," dated January 12, 1973.
- F. "Guidance Statement on Selected Aspects of Science and Technology," dated January 12, 1973.
- G. "Technical Cooperation with Non-AID Countries," dated February 9, 1973.

X. A letter from the Administrator, A. I. D., to Senator Inouye, dated December 22, 1972, attaching a statement "The U.S. Development Assistance Program."

XI. Manpower:

- A. A letter from the Administrator, A. I. D., to the Director, Office of Management and Budget, dated October 12, 1972, requesting reduced A. I. D. manpower levels for Fiscal Years 1973 and 1974.
- B. "A. I. D. Manpower Achievements" -- A statement of AID manpower trends -- 1968-1974.

XII. A memorandum from the Assistant Administrator for Program and Management Services to the Deputy Administrator, A. I. D., dated November 30, 1972, containing an assessment of the Agency Reform.

XIII. Public Notice Number 1. Agency for International Development, Statement of Organization, Functions, and Procedures - April, 1973.

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

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

Dear Mr. President:

I am pleased to be able to report that A.I.D. has made solid progress in moving in the direction of your new foreign assistance concepts and approaches. Despite the uncertain fate of the legislative proposals submitted to the Congress earlier this year, we are - within the constraints of existing legislation - moving to translate your announced policy objectives into effective operation.

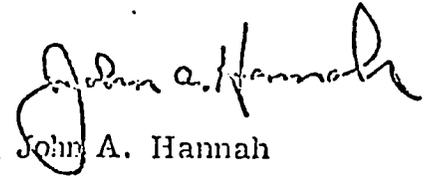
The attached summary highlights the results of our more significant transitional efforts. We have

- separated economic security assistance from development programs within the A.I.D. structure;
- substantially reduced A.I.D. direct-hire American staffs abroad;
- implemented promptly your decision to untie aid financing for procurement in the developing countries and materially simplified A. I. D. 's procurement policies and procedures;
- made substantial progress in concentrating our technical assistance programs in priority sectors, eliminating weak projects, and achieving further reductions in related staffs abroad; and
- moved in the direction of centralizing our lending operations in Washington. They have been spread around the world in our country missions.

We are well along with a number of special studies in other areas designed to further streamline operations and to improve our responsiveness to development requirements abroad. There is every prospect that these studies will produce equally encouraging results in advancing your foreign aid policies.

Finally, Mr. President, I am pleased to be able to assure you that our A.I.D. staff, both here and abroad, are working toward these objectives with a dedication and creativity I find gratifying.

Respectfully yours,



John A. Hannah

Enclosure:
Status of Major Transition Planning
Activities in A.I.D.

SUBJ: ADM-6

ang
INFO: Hannah log
Williams log
Mr. Parks

THE WHITE HOUSE

WASHINGTON

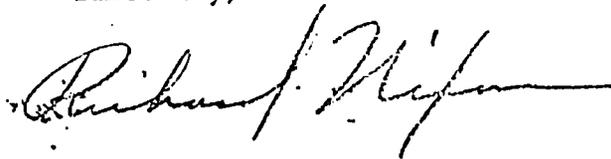
October 6, 1971

Dear John:

Thank you for your letter of September 20 reporting on the significant progress AID has made in implementing our new approach to foreign assistance.

As you know, I strongly believe in the importance of assisting development in the lower income countries. You have undertaken significant reforms which increase the efficiency and effectiveness of AID's operations and thus strengthen the ability of this nation to contribute to the development process. I commend you and your colleagues in the Agency for International Development who contributed to these efforts and look forward to continued progress in the future.

Sincerely,



Honorable John A. Hannah
Administrator, Agency for
International Development

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AID
EXECUTIVE SECRETARIAT

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M. Parks

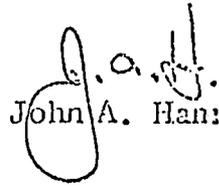
DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

September 20, 1971

NOTE FOR THE SECRETARY

If it meets with your approval, I will appreciate it if you will forward this note to President Nixon with the attached summary of steps being taken within A.I.D. to conform to the new concepts and approaches to foreign assistance outlined in the President's Congressional Messages of September 15, 1970 and April 21, 1971.


John A. Hannah

Attachments

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NIXON DOCTRINE

This is the message of the doctrine I announced at Guam -- the "Nixon Doctrine." Its central thesis is that the United States will participate in the defense and development of allies and friends, but that America cannot -- and -- will not conceive all the plans, design all the programs, execute all the decisions and undertake all the defense of the free nations of the world. We will help where it makes a real difference and is considered in our interest.

Source: "United States Foreign Policy for the 1970's: A New Strategy for Peace," A Message from the President to the Congress. House Document No. 91-258, p.6.

Part V -- Reappraisal of Foreign Assistance Programs

Declaration of Policy

SEC. 501. The Congress declares that, in view of changing world conditions and the continued need to make United States foreign assistance programs an effective implement of United States foreign policy, there should be a comprehensive review and reorganization of all United States foreign assistance programs, including economic development and technical assistance programs, military assistance and sales programs, and programs involving contributions and payments by the United States to international lending institutions and other international organizations concerned with the development of friendly foreign countries and areas.

Reappraisal by the President

SEC. 502. (a) In furtherance of the policy of this part, the President is requested to make a thorough and comprehensive reappraisal of United States foreign assistance programs, as described in section 501, and to submit to the Congress, on or before March 31, 1970, his recommendations for achieving such reforms in and reorganization of future foreign assistance programs as he determines to be necessary and appropriate in the national interest in the light of such reappraisal. The President is requested to submit to the Congress, on or before July 1, 1969, an interim report presenting any preliminary recommendations formulated by him pursuant to this section.

(b) It is the sense of the Congress that the reappraisal provided for in subsection (a) should include, but not be limited to, an analysis and consideration of proposals concerning the establishment of a Government corporation or a federally chartered private corporation designed to mobilize and facilitate the use of United States private capital and skills in less developed friendly countries and areas, including whether such corporations should be authorized to --

(1) utilize Government guarantees and funds as well as private funds:

(2) seek, develop, promote, and underwrite new investment projects:

(3) assist in transferring skills and technology to less developed friendly countries and areas; and

(4) invest in the securities of development financing institutions and assist in the formation and expansion of local capital markets.

Source: Foreign Assistance Act of 1968, Public Law 90-554
(H.R. 15263), 82 Stat. 960.

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

July 1, 1971

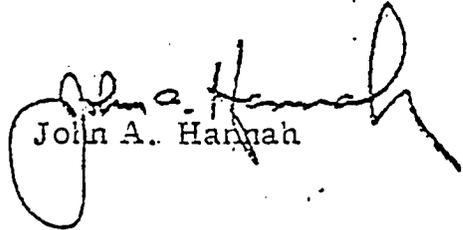
A.I.D. General Notice

SUBJECT: Designation of A.I.D. Coordinator for Supporting Assistance

Effective immediately, and to further the President's objective of separating security assistance from development assistance programs, Mr. Roderic O'Connor is designated as A.I.D. Coordinator for Supporting Assistance in addition to his continuing responsibilities as Assistant Administrator for East Asia.

In his capacity as A.I.D. Coordinator for Supporting Assistance and on behalf of the A.I.D. Administrator, Mr. O'Connor will be responsible for (1) coordinating all A.I.D. economic supporting assistance programs and operations and (2) maintaining liaison with the State Department, OMB, DOD, other U.S. agencies and Congressional committees on matters involving A.I.D. security-related programs.

To facilitate coordination of these programs, the Assistant Administrator for Vietnam will report to the A.I.D. Coordinator for Supporting Assistance. The Assistant Administrator for Vietnam will serve as the Acting Coordinator in the absence of Mr. O'Connor.



John A. Hannah

DISTRIBUTION:

A.I.D. List H-5
A.I.D. B-1, Position 10

Status of Major Transition Planning Activities in A.I.D.

A.I.D. has taken significant steps to conform its programs and operations to the new concepts outlined by the President in his messages on foreign assistance submitted to the Congress on September 15, 1970, and April 21, 1971. During this period of transition, major changes have been and are being made to re-shape A.I.D.'s organizational structure, program composition, methods of operation, and the role and size of A.I.D. staffs abroad. These changes are designed to move A.I.D. - with minimal disruption of ongoing operations and commitments - in the new development directions identified by the President.

The following summarizes the major results achieved to date:

I. Separation of Security from Development Assistance

- .. Recent A.I.D. reorganization effectively separates economic security assistance from development assistance programs.
- .. Major economic security programs are now under unified direction within A.I.D., assuring more effective management and coordination with State and Defense.

One of the key features of the Administration's reforms of foreign assistance programs is the separation of development assistance from security assistance programs. The purposes of this separation are to enable the President and Congress to fix responsibilities more clearly, to assess the success of each program in achieving their differing objectives, and to eliminate the confusion inherent in the traditional approach which blurred these objectives in combined programs.

As the initial step in achieving this separation, A.I.D. has centralized its Supporting Assistance programs into a new Supporting Assistance Bureau. This Bureau is now responsible for managing all economic security programs in Vietnam, Laos, Cambodia, Thailand, and Jordan.

In its recent report (No. 92-380 of July 26, 1971), the House Foreign Affairs Committee acknowledged A.I.D.'s intention of creating the new Supporting Assistance Bureau and noted that this "should facilitate the eventual transition of these functions to the Department of State."

These internal adjustments assure a number of important program management benefits. A.I.D. now administers economic security assistance programs under unified direction as contrasted to the prior arrangements whereby these responsibilities were dispersed.

II. Lower A.I.D. Presence Abroad

- .. In FY 1971, A.I.D. reduced its overseas American staff by 10% and its local staff by 8%.
- .. Overseas staffs are now at lowest levels in A.I.D. history.
- .. Additional reductions will be made in FY 1972.

In furtherance of the policy of lowering the U.S. official presence abroad, A.I.D. succeeded in reducing its American staff overseas by 10% in FY 1971. As of June 30, 1971, A.I.D. direct-hire Americans serving overseas totalled 3,481, an all-time low in the number of such employees abroad. Of this total, more than 37% were in Vietnam where further major staff reductions are projected in FY 1972.

In addition, A.I.D. direct-hire foreign nationals were reduced by almost 8% during the same period. Foreign national employment is also at the lowest level in A.I.D.'s history.

As indicated elsewhere in this report, A.I.D. is continuing its efforts to reduce further both its American and foreign national staffs abroad. Additional reductions will be achieved through A.I.D.'s continuing transition planning efforts, including increasing recentralization in Washington of various functions and operations historically performed abroad, greater concentration of program in major priority sectors, elimination of marginal programs and projects, and simplification of present methods of conducting its business.

III. Loan Operations

- .. A.I.D. loan operations are being recentralized in Washington.
- .. 25% of loan-related positions overseas are being abolished.
- .. Further centralization of loan operations is planned.

Another major effort to conform operations to the President's new approaches is the gradual recentralization of loan programs in A.I.D. headquarters. Historically, these programs have been administered primarily by overseas A.I.D. Missions. Through this new approach, A.I.D. seeks to streamline lending operations, to lessen the management workload of the overseas Missions, and to reduce the official American presence overseas.

Planning for the initial phase of these extensive changes has been completed and implementation is well under way. The results include the abolition of 54 loan-related overseas positions - 25% of the total of such positions. Major lending functions, particularly in the planning and development of loan proposals, are now being increasingly centralized in A. I. D. Washington.

Continuing studies of A. I. D. 's lending operations are expected to make possible further centralization of these activities, with the prospect of additional personnel reductions and increased efficiency of lending operations.

IV. Technical Assistance - New Directions

A. I. D. 's technical assistance program is being re-shaped to achieve

- .. more effective country participation and responsiveness to country priorities;
- .. concentration in major priority sectors - agriculture, education, population and health, and public administration;
- .. more effective exploitation of U.S. research and scientific capabilities;
- .. maximum use of private organizations and firms for project implementation resulting in fewer A. I. D. employees abroad;
- .. elimination of weak projects.

As a further step in the orderly transition of A. I. D. programs to the President's new concepts, a special Agency-wide review of technical assistance activities was completed in June of this year. Technical assistance projects were subjected to intensive scrutiny against the major criteria identified for the proposed International Development Institute.

Highlight results to date include:

- Nearly 75% of regional technical assistance projects in FY 1972 (and continuing into 1973) are now concentrated in the 4 priority sectors of agriculture, education, population and health, and public administration.
- 84 TA projects (18% of the total TA program) are being terminated ahead of schedule.

- Accelerated project terminations will result in a further overseas staff reduction of 166 (74 direct hire, 31 participating U. S. agency, and 61 contractor personnel).
- An increasing percentage of all technical assistance project implementation will be carried out in future by private contractors or participating U. S. agencies.

Additionally, all new project proposals are being evaluated against these new criteria in the Agency's tightened program and budget decision-making processes.

The total transformation of A. I. D. 's technical assistance programs to the new concepts will be gradual and evolutionary. This is necessary not only because of the momentum of past programs, but because of the existence of outstanding U. S. commitments which must be liquidated without disruption. A solid start has been made in the direction of the ultimate emergence of a U. S. bilateral technical assistance program conceptually consistent with the approach envisaged for the proposed International Development Institute.

V. Streamlining A. I. D. Procurement Procedures and Documentation

- .. Administrative restrictions on A. I. D. -financed procurement are being simplified.
- .. A. I. D. procurement requirements are now less onerous for U. S. suppliers and foreign importers.

A major part of A. I. D. 's annual appropriation continues to be used to finance the procurement of essential commodities and equipment required for development programs abroad. Not generally recognized is the fact that virtually all A. I. D. -financed procurement takes place in the United States from over 4, 000 American companies. As pointed out in the recent House Foreign Affairs Committee Report (see Appendix A for related excerpts), 98% of A. I. D. -financed commodity procurement takes place in the United States. It is not generally recognized that there is currently a dollar in-flow from the A. I. D. program estimated at \$79 million in FY 1971.

As additional statutory administrative requirements were imposed over the years, A. I. D. 's procurement regulations became increasingly complex with undesirable consequences. These restrictions were hampering the efficient and effective use of almost \$1 billion annually in procurement under A. I. D. loans and grants resulting in higher commodity costs, frustration of normal export-import practices, disincentives to U. S. export sales and delays in procurement and shipment.

To attack these problems in a systematic, concentrated manner, A.I.D. created a special procurement working group. Major results to date include:

- simplification of the U. S. Small Business notification and documentation procedures to expedite commercial transactions;
- uniform financing of legitimate sales agents' commissions to assure effective U. S. trade representation abroad;
- elimination of the requirement on suppliers for special data and documentation regarding commissions;
- relaxation of the commodity componentry rules; and
- simplification of the commodity "marking" requirements.

These changes are already materially simplifying the processes and documentation involved in A. I. D. -financed procurement to the benefit of U. S. suppliers and foreign importers participating in these transactions, and without relaxation of the prudent checks and balances required to enforce compliance with bid specifications, and sound audit procedures.

The work of this special procurement group is continuing with the prospect of further streamlining of this major aspect of A. I. D. 's development operations.

VI. Prompt Implementation of the President's Untying Decision

On September 15, 1970, the President announced a new policy permitting procurement under A. I. D. loans from lower income countries. A. I. D. moved swiftly to carry out this decision. The complex changes required in A. I. D. 's procurement regulations were developed promptly. Detailed implementation instructions were transmitted worldwide on October 16, 1970.

The new procurement procedures were made effective for all A. I. D. loans authorized on and after the date of the President's announcement, as well as for the undisbursed amounts of loans previously authorized to the extent that procurement had not been initiated.

VII. Other Major A. I. D. Transitional Efforts

A. I. D. also has underway a number of major efforts designed to simplify its operations and further improve its responsiveness to development requirements abroad. These include:

- special review of A. I. D. direct and recipient country contracting requirements and procedures. A major objective in this area is to make possible a significant increase in country contracting under A. I. D. financing consistent with the policy of placing the host country at the center of its own development efforts.
- the development of a new technical assistance project monitoring system adapted to reduced A. I. D. staffing levels abroad and to the policy of relying upon private contractors and organizations, rather than upon U. S. direct hire personnel, for project execution overseas.
- the development of new policies and arrangements to permit contractors to be self-supporting overseas, thus reducing official U. S. Government involvement and the workload on A. I. D. staffs overseas.
- initiation of the second phase of loan centralization planning to examine alternatives to the Agency's present loan implementation and monitoring procedures with the objective of further centralization of loan operations in A. I. D. headquarters.
- a pilot survey of financial functions and operations in a major overseas program to determine the feasibility of reducing Controller staffs abroad by centralizing such functions and operations in Washington. This survey follows on the recentralization of Controller functions already achieved in a number of small country programs.

J. e. H.

Excerpts from House Foreign Affairs Committee
(House Report No. 92-380 dated July 26, 1971)

"FOREIGN ASSISTANCE AND THE U. S. ECONOMY"

"Critics of the foreign assistance program often make the charge that the United States is sending funds abroad for the program. This is not the situation. For the most part, the United States sends goods and services abroad. AID dollars buy goods from over 4,000 American companies and pay some 1,000 private institutions, firms, and individuals in all 50 States for technical and professional services to carry out projects overseas.

"Commodity procurement. In fiscal year 1970 AID funds bought commodities valued at \$976 million from all over the United States accounting for 98 percent of AID-financed commodity procurement.

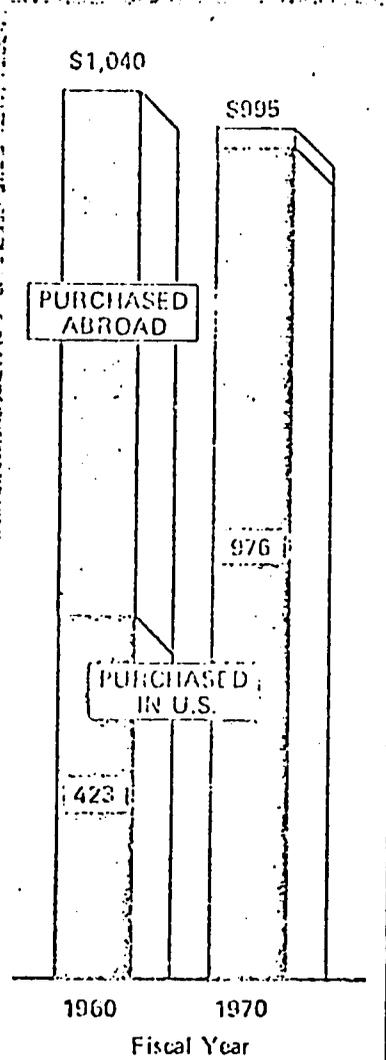
"Technical services contracts. As of June 30, 1970, AID had 1,284 active technical service contracts with private institutions, companies, and individuals, valued at \$632 million.

"University contracts. Of these, 127 American colleges and universities held 332 contracts worth \$242 million. By value, about 55 percent of these contracts are held by educational institutions in the South and the Midwest regions of the United States."

"FOREIGN ASSISTANCE AND THE U. S. BALANCE OF PAYMENTS"

"The balance of payments and gold outflow problems of the United States result primarily from our large defense expenditures, U. S. investments abroad, and tourist spending overseas -- not from the foreign assistance program. It is not generally realized that there is currently a dollar inflow from the program as a result of an excess of payments of principal and interest on prior-year loans over the comparatively small dollar outflow caused primarily by occasional offshore procurement and purchases of local currencies. The inflow is expected to amount to an estimated \$79 million in fiscal year 1971."

A.I.D.-FINANCED COMMODITY EXPENDITURES
MAJOR COMMODITIES PURCHASED IN U.S.
 FY 1970 vs. FY 1960 — Millions of Dollars



Major U.S. Purchases	FY 1960	FY 1970
Industrial Machinery	\$19	\$142
Chemicals	18	139
Iron & Steel Mill Products	14	106
Fertilizer	9	98
Motor Vehicles	41	90
Electrical Machinery	11	59
Nonferrous Metals	10	41
Engines & Turbines	4	41
Petroleum & Products	17	39
Agr. Equipment & Tractors	8	31
Pulp & Paper	3	25
Textiles	4	17
Rubber & Products	4	13

SUMMARY REPORT ON
TRANSITION REVIEW OF REGIONAL BUREAU TECHNICAL
ASSISTANCE PROGRAMS

A. Purpose of the Review

The review of AID's technical assistance programs and administration was initiated by the Administrator in February, 1971, as a major step in the orderly transition of AID to the new approaches put forth in President Nixon's September 15, 1970, Message to Congress. The review was envisaged as preparation for a transfer of technical assistance from AID to the proposed new International Development Institute. While that action now is less imminent due to delayed Congressional consideration of the President's proposals, the Administrator has made it clear that the transition will proceed in order to conform Agency activities to the President's policies.

B. Guidelines for the Review

The basic instruction for the review was put forth in the Deputy Administrator's February 16 memorandum to Assistant Administrators.

Bureau heads and Mission Directors were asked personally to review all technical assistance projects, continuing or planned, against the President's new policies. Emphasis was to be placed on concentration in priority sectors and on projects of high priority and quality, which involved maximum host country participation and which could be implemented without overseas resident direct-hire technicians.

The Bureaus also were asked to begin to move toward more direct host country-contractor relationships, streamlined program management, smaller overseas technical assistance staffs and increased use of international agencies.

Bureaus were directed to identify at least 10 per cent of ongoing projects as lowest priority, subject these to especially intensive review, and be prepared to review the results with the Deputy Administrator.

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- inadequate host country support,
- failure to address current high priority development needs,
- small projects peripheral to solution of key sub-sector problems,
- potential for multilateral funding.

These accelerated terminations will result in overseas staffing reductions of 166 by the end of FY 1973: direct hire, 74; participating agency, 31; and contract, 61.

One of the important criteria in selecting projects for early termination was host country assignment of priority. Many missions experienced significant difficulty in establishing the priority the recipient government assigned to different projects. The major reason underlying this difficulty is the absence in most LDCs of a strong centralized planning and priority setting agency. Many missions also were unable to apply the host country financial support criterion with any precision, underlining the need for further guidance on this point.

In the African program, where perhaps the most systematic effort to date has been made to concentrate on priority problems, the reviews revealed that there are still significant weaknesses in developing country capabilities for identifying priorities and formulating strategies and projects to deal with poverty. While encouraging international agencies and multi-donor groups to assist those countries in designing national multi-year plans and strategies, we see a continuing role, at least in the short term, for U.S. assistance in specific sub-sector analysis leading to activity planning.

Another significant problem encountered was that of the apparent differences between U.S. priorities and developing country interests in some areas. Examples of these project areas which will require further examination are labor and public safety programs -- particularly in Latin America -- and population programs. Another example is our assistance to the International Institute of Tropical Agriculture at Ibadan in Nigeria -- an important, multi-donor project with little or no host country financial support. Activities in support of private or non-governmental programs in the recipient countries -- favored by U.S. assistance policy -- often are not accorded high priority by the host government.

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The Bureaus also had difficulty reaching useful conclusions with respect to certain project areas which do not appear to meet the development criteria anticipated for U. S. programs of the future. CENTO projects, for instance, are useful in promoting regional cooperation but do not always entail identifiable development benefits. The Bureaus also appeared to have diverse views concerning Special Development Activity Fund activities. These so-called "Ambassador's fund" projects are useful in promoting political objectives and sometimes in promoting useful local self-help community activity. But they entail a management burden for U. S. Mission personnel and their real development impact is often questionable.

2. Progress in Multilateralization

Bureaus were requested to report on progress to date and plans for:

- establishment of coordinating mechanisms, consortia or consultative groups, under the leadership of multi-lateral agencies;
- greater reliance by countries on the international agencies for their assistance needs, particularly where the need is for operating personnel and where those agencies are in the best position to provide the needed assistance; and
- increased dependence on multilateral agencies for general and sector economic analyses and encouraging improved analysis capability and programming leadership by these agencies.

Our major capital assistance programs in East Asia, NESAs, and Africa are already heavily coordinated in a multilateral framework. We participate in IBRD-led consortia for India and Pakistan, a DAC-led consortium for Turkey, and consultative groups for Morocco, Tunisia, Kenya, Uganda, Tanzania, Ghana, Indonesia, and Korea. This year, new consultative groups were established for the Philippines, Ethiopia, and Congo (Kinshasa) and the consultative group for Nigeria was revitalized after having been inactive during the Nigerian civil war. In Latin America, AID loans to Latin American countries take into account the findings and recommendations of the Inter-American Committee for the Alliance for Progress (CIAP), a multilateral arm of the OAS. There is also considerable multilateral coordination on individual loan projects in most LA countries, although only Colombia at present has a formal consultative group for coordinating development assistance.

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In contrast with capital assistance, there is still little multilateral coordination of technical assistance except on individual projects. Existing coordinative mechanisms influence technical assistance activities only in cases (as with Colombia) where capital and technical assistance are closely related. Thus, the role of the IBRD and the regional agencies in technical assistance coordination is minimal as compared with their role in capital assistance coordination. While there is some possibility for improved use of existing mechanisms in technical assistance coordination (e. g., by strengthening CIAP capacity in Latin America), the UNDP has the greatest potential for serving as the coordinative body or clearing-house for grant technical assistance. More effort needs to be directed toward encouraging and assisting the UNDP to assume a leadership role in analyzing technical assistance needs and in coordinating technical assistance activities.

Some progress is being made in shifting certain technical assistance activities to the multilateral agencies. For example, we plan to terminate all funding of malaria eradication projects with fiscal year 1973, turning over this highly operational activity to WHO. In Latin America, the Bureau plans shifts to multilateral agencies of some projects in the fields of population, health, capital markets and export promotion. NESAs reports that missions encourage LDC's to use the UN specialized agencies for many activities and cited FAO live-stock projects as a primary example. Additional study is needed to identify the sectors and sub-sectors where the various multilateral agencies have special competence and to determine the extent to which AID should defer to the multilateral agencies in these areas.

Although Bureau and Mission plans envisage greater reliance on the international agencies for general and sector economic analyses, most Bureaus see the need for some AID field representation to perform economic analysis functions at least for the immediate future. As noted above, there is also a need for UNDP analyses of developing country technical assistance needs.

3. Project Implementation

The review confirmed that considerable progress has been made over the past several years in reducing reliance on AID direct-hire technicians to implement technical assistance projects overseas. Technical assistance activities in Latin America are now almost entirely conducted through participating agency and contract arrangements and the other Bureaus have made significant strides in these directions. During the present year, only about 150 direct-hire implementation employees are resident overseas.

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As a result of the review, a further reduction of direct-hire implementers to about 50 is planned by the end of FY 1973. Most of these will be in countries and on projects where the changeover to contract "intermediaries" would be disruptive to previously committed ongoing projects -- agricultural projects in Afghanistan, Nepal, and Turkey; agriculture and education projects in Nigeria; and health and family planning activities in Korea. Over a period of time--as these projects are terminated -- the direct hire implementation staff overseas could be further reduced.

Both the NESAs Bureau and East Asia cited the special problem of population activities. In some of these programs, considerable effective technical assistance and program monitoring is performed by direct-hire Mission staff which is outside of a formal project framework (and not classed as implementing staff) because of the sensitivity of these activities and the attitude of the host country governments. Conversion of direct hire staff to contract in these circumstances may not prove feasible in some cases.

The pace of reduction of our resident technical Mission staff will depend also on our ability to find alternate ways to accomplish project design, now done largely by these staffs.

The reviews also revealed some difficulties in moving toward direct relationship between the host countries and the technical assistance contractors. The move to more direct host country contracting will be limited by the ability of host countries or contractors themselves to provide logistic support for contractor personnel and will be conditioned on success in simplifying current contracting procedures.

4. Program and Project Management

Bureaus were asked to seek ways to oversee their technical assistance programs with minimum official U.S. overseas presence, without impairing the Agency's ability to manage public funds effectively. They were requested to identify steps taken or being taken to simplify program management and to reduce program and project management (as opposed to implementation) staff.

Because of the significant management implications growing out of the review, the Bureau plans for management simplifications were put forth tentatively. The review identified 84 overseas project management positions (of 312 in place this year) which can be eliminated by the end of FY 1974 through the adoption of various alternative techniques.

Project management reductions are made possible by a number of factors: reducing the number of projects, minimizing the informal advisory role of technical staffs, using local firms for project monitoring, intensifying sub-sector concentration of project activity and -- perhaps in the future -- making "block" grants to countries to enable direct recruitment of technical experts.

The Africa Bureau has already achieved some overall field staff reductions through maximizing the management and support of small country programs from either regional offices or Washington. All Bureaus saw future possibilities for further reducing and reorganizing general program management staffs abroad but were not able to prepare comprehensive plans at this stage in the transition.

The competence and availability of contractors to assume greater responsibility for project management will affect plans for reduced U.S. management personnel. In large measure, however, these reductions will depend on the success of current efforts to reduce program documentation and reporting requirements, to simplify contracting and to re-define the role and responsibility of "project managers." Future changes in Washington staffing and organization were generally discussed also but without conclusion at this time.

D. Outstanding Issues

It was recognized in the course of the review that the pace with which the Agency can move effectively toward the objectives sought in changed overseas operational patterns will be affected by reforms in administration and programming, and by developments outside AID.

Special task forces have been at work since the fall of last year on a number of problems related to improving the Agency's capability to conform its programs to the President's new policies. As examples: one task force is reviewing AID contracting procedures with a view to facilitating a shift to more direct contracting by the host country; another is developing an approach to project monitoring procedures which would require less resident staff overseas and a third is examining the potential for greater contractor administrative self-sufficiency. These and other task force efforts continue, but additional specific issues were identified during the review. The most important of these are the following:

1. Program Priorities

a. Identification of LDC Priorities

Experience in working with LDC governments has shown the difficulty of determining what the authoritative government priorities are in areas related to technical assistance requirements. The Africa Bureau has prepared a paper based on their experience which discusses means of improving priority identification.

b. U.S. and LDC Priorities in Family Planning

Our encouragement and funding of family planning and related projects in some cases has conflicted with the intent to rely increasingly on the LDC's to set priorities and provide adequate support of programs we assist. TAB is drafting guidelines for Agency-wide issue.

c. Social and Civic Projects and LDC Priorities

As in the case of population projects, the U.S. assigns higher priority to certain social and civic activities than does the host country Government. It is proposed that PPC draft guidance for Agency-wide issue.

d. Special Development Activity Fund

The financing of small impact projects under the SDAF is widespread in Africa and Latin America. In both cases, we have difficulty justifying these activities under development assistance criteria. In addition, the management effort required to administer this large number of small activities often outweighs their value. PPC and the Office of Program Evaluation are working together to set up a world-wide review of the scope of and administrative procedures for the special development activity program.

2. Administration

a. New Personnel Category for Project Manager

The new role identified for project managers should be built into the AID personnel system. In collaboration with the Africa Bureau and the Project Monitoring Resources Group, A/PM and AA/A staff are preparing a specific proposal.

b. Project Development in Washington

The prospect of greater headquarters responsibility for project administration raises the question whether the Regional Bureaus will require additional staffing to perform the project development function. Regional Bureaus are reviewing their needs as the transition progresses.

3. Financial and Audit Activity

a. Timely Fiscal Transactions and Project Implementation

The timing of fiscal transactions and reporting must be improved if we are to realize more efficient project implementation under streamlined procedures. Mr. Flinger (A/CONT) is examining methods of accelerating controller performance.

b. Life-of-Project Funding

To what extent is it feasible to provide full multi-year funding of new and continuing projects as a means of reducing project administration workload? PPC is examining the possibility of selective life-of-project funding in FY 1972.

c. Demands of Audit Activity on Field Staff

Reductions in direct-hire field staff will be impeded by continued requirements for large amounts of staff time in cooperating with and responding to audit activity. It is proposed that the Auditor General examine alternative ways for reducing audit activity demands on field staff.

4. Multilateral Agencies

a. Multilateral Technical Assistance Coordination

The influence of international agencies on technical assistance coordination is low except in certain country cases (as with Colombia where capital and technical assistance projects are closely related.) It is proposed that PPC identify ways and means for encouraging greater multilateral coordination of technical assistance programs.

b. Regional Agency Coordination in Latin America

The capabilities of Latin America regional agencies to provide leadership in development assistance coordination are weak. The Latin America Bureau is preparing a paper outlining a feasible plan for AID/W and Mission action to assist in strengthening regional agency coordination in Latin America.

c. Multilateral Agency Technical Assistance Competence

The NESAs Bureau avoids livestock projects on the grounds of adequate FAO competence while livestock is the largest single sub-sector in the Africa Bureau's technical assistance budget. Is it feasible to identify certain sub-sectors of multilateral agency competence within which AID would finance no projects? It is proposed that PPC review capabilities of the various multilateral agencies in sectors/sub-sectors and draft guidance for agency-wide issue.

d. Reliance on Multilateral Agency Economic Analysis

Experience to date in relying on multilateral agency reports in lieu of "in-house" economic analysis has been very spotty. Are there ways of determining -- and assisting the improvement of -- the capabilities of multilateral agencies in this area? It is proposed that PPC examine the usefulness of multilateral agencies' analyses for Technical Assistance programming and recommend additional guidance for agency-wide action.

e. A.I.D. Review of UNDP Projects

Agency procedures for reviewing UNDP projects are time-consuming and ineffective. PPC is re-examining the AID role and reviewing present procedures with a view to recommending changes.

f. A.I.D. Monitoring of Multilateral Agency Programs

The GAO is apparently attempting to establish that AID is responsible for monitoring the activities of multilateral agencies which receive U.S. financing. Recent GAO inquiries

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at the staff level indicate that the GAO feels that AID Missions should be responsible for monitoring IDB loans in Latin America. Both the LA Bureau and the Auditor General have voiced strong objection to this interpretation of AID responsibilities, pointing out that this would be an inappropriate role for the U.S. to assume in multilateral activities and that in any case the Treasury Department is the U.S. Government agency with primary responsibility for U.S. participation in and contributions to international lending institutions. The Auditor General and LA are continuing their efforts to dissuade GAO from recommending that AID assume responsibility for monitoring IDB (or other multilateral agency) loans.

Annexes:

- A. AFR Regional Summary
- B. NESR Regional Summary
- C. LA Regional Summary
- D. EA Regional Summary

September 10, 1971

25'

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

September 10, 1971

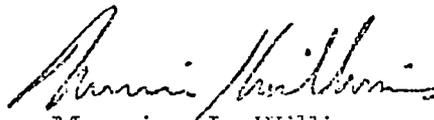
MEMORANDUM TO: See Distribution

SUBJECT: Transition Review of Regional Bureau Technical
Assistance Programs

I have approved the attached general summary and annexed regional summaries of the results of the technical assistance review conducted this spring and summer. Regional Bureaus should continue to take appropriate action to implement the plans developed during the reviews. I have asked that you be kept informed of progress made by the transition task forces which are working on program and administrative reforms.

You should report to me as appropriate on the status of actions described in Section D of the general summary report.

Requests for clarification and reports of difficulties in proceeding with implementation of conclusions reached during the review should be communicated to me immediately.


Maurice J. Williams
Deputy Administrator

Attachments
a/s

Distribution:

Action: AA/AFR - Dr. Adams (10)
AA/NESA - Mr. MacDonald (10)
AA/LA - Mr. Kleine (10)
OEAD - Mr. Meinecke (10)
AA/PPC - Mr. Stern (5)
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GC - Mr. Gardiner
ENGR - Mr. Hale
O/LAB - Mr. Horowitz

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

November 25, 1970

MEMORANDUM FOR: Dr. Samuel Adams, AA/AFR
Mr. Herman Kleine, AA/LA
Mr. Donald MacDonald, AA/NESA
Mr. Roderic O'Connor, AA/EA

SUBJECT: Planning the Centralization of Loan Operations in the
AID/W Regional Bureaus

We have discussed the objective of bringing dollar loan administration more directly under Central Regional Bureau supervision as a step in implementation of the President's foreign aid proposals. In so doing we seek to (1) streamline field operations and lessen the management workload of our Missions, (2) make possible some shifting of agency loan staff to take account of personnel shortages which cannot feasibly be met by new recruitment and (3) move toward a more centrally-administered lending program as envisaged in the President's September foreign aid proposals.

For these purposes, careful and detailed analysis of each country situation is required in order to plan for change in an orderly way, without disruption of the on-going loan program and with minimum hardship for the loan personnel affected.

The enclosed guidelines were developed in consultation with Regional Bureau capital development representatives. They are intended to assist you and your Missions in conducting the necessary analysis and to assure comparability of data. Your response is requested by February 1, 1971.

While the timing of functional and personnel changes will vary by country, we anticipate moving ahead so that these

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changes can be completed by the fall of 1971.

Copies of this memorandum are being sent to other members of the Executive Staff in order that they may assist this undertaking.


Maurice A. Williams
Acting Administrator

attachment

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Planning for Centralization of Loan Operations

I. Objective

The President's Message to the Congress on "Foreign Assistance for the Seventies" includes a directive to the Administrator to "take steps to conform the present development programs, as much as possible, to the new concepts and approaches I have outlined." It is, therefore, incumbent upon us to examine promptly and thoroughly measures which, in a number of areas, can be taken now to bring our operations into close conformity with the goals the President has set out. One of the measures we can take is the increasing centralization of our loan operations in the Regional Bureaus in Washington. Such centralization would help meet the objective of reducing the number of Americans stationed overseas and would, in addition, give us a better opportunity to use scarce staff resources to best advantage. We, therefore, wish to proceed with our planning for a more centralized loan operation which we hope could become effective in the fall of 1971.

II. Procedure.

In order to determine the extent and timing of a reduction of field staff which would be consistent with a continued efficient operation of our loan program it will be necessary to review the situation in each country. That review should be carried out by each Mission and take into account both the administration of the existing loan portfolio and the preparation of new loan proposals for authorization. The results of the Mission review should be reported to the Administrator by the Regional Bureau.

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III. Guidelines.

A. Assumptions.

We are assuming that:

1. both AID and any successor agency will continue to make all types of loans that have been made in the past, i.e. Program Loans, Sector Loans, Project Loans, Technical Assistance Loans and loans to Intermediate Credit Institutions;
2. the mix of different types of loans will vary from country to country and over time for any given country;
3. some resident staff will be required for the administration of the loan program in major assistance countries but not in all countries;
4. some rules, affecting primarily the commodity import program, will be liberalized but the capital projects guidelines will substantially remain in force; close contact with borrower governments and their agencies will, therefore, probably continue to be necessary if delays in the implementation process and in loan development work are to be avoided.
5. OPIC will administer the Cooley loan program on behalf of AID but carry out all its other programs on its own account. (See paragraph 'D', below.)

B. Implementation of Active Loans.

1. Analysis of Loan Portfolio. Active loans (with current terminal disbursement dates on or after June 30, 1974) and

area or in some countries to more than twenty in others, such as Brazil. The aggregate undischarged balances on these loans range from \$100,000 to over \$100-million and total \$1,800-million (as of 7/30/70). In addition, the composition of the loan portfolio (program, sector, technical assistance, ICI and/or project loans) varies from country to country. Implementation actions to be taken by AID under current loans may thus be so few, or of such type, that they can readily be handled by staff located either in Washington or in a near-by country. Where the implementation workload is greater, or more complex, some staff may have to remain in the country to handle the workload efficiently.

Since the analysis of the portfolio must take these factors into account, we have designed Attachments Nos. 3(a) and 3(b) to assist Missions in their systematic analysis of the volume of routine implementation actions remaining to be taken on loans included in their present portfolio. In many cases it will, however, be necessary to supplement the tables with a narrative analysis to bring out all relevant factors and considerations.

2. Sector Loans. Special attention will have to be given to the implementation of Sector Loans. (See paragraph 3, below, for Sector Loan development.) For purposes of analysis and planning it will be necessary to review in adequate detail what actions the Borrower and AID will have to take, and to determine what types of professional staff will be needed to deal with them, at what intervals, for what periods of time that staff will be needed, whether it should be located in the field.

3. Capital Projects Financed with Dollar Grants or Local Currency.

Loan officers, engineers and other professional staff are frequently involved in the implementation and monitoring of capital projects financed with dollar grants or local currency loans and grants. The demands on the time of the staff which such projects entail need to be assessed separately from the workload generated by the administration of the loan program. Based on that analysis, the Missions and Regional Bureaus should:

- (a) make recommendations on the manner in which existing projects should be administered in the future;
- (b) indicate whether projects of this type which require a substantial manpower commitment by AID are planned for the future, and, if so, how they recommend such projects to be administered.

C. Development of New Loan Proposals.

1. The quantity and the complexity of loan preparation work now going on in different countries varies significantly. The number and the character of the loans now under development for authorization in FY 1971 in specific countries ranges from one program loan to five or more loans, including sector loans requiring a great deal of preparatory work.
2. Project and Sector Loan Development for Approval in FY 1971. The loans scheduled to be authorized in FY 1971 are now being prepared, largely by the field staff, and we assume that this

work will be completed by the same staff in order to ensure the timely completion and the quality of loan proposals to be submitted for authorization. A detailed analysis of the implementation work which these loans will generate is, however, necessary and should be prepared substantially in the same form as that pertaining to loans already authorized.

3. Project and Sector Loan Development for Authorization in FY 1972 or later. On the assumption (stated in paragraph 1, above) that AID or a successor agency will continue to make Sector and Project Loans in the future, the program for those categories and loans needs to be reviewed and the resulting manpower requirements assessed. Each Mission should, therefore, prepare in a format best suited for that analysis in each country, a listing of Sector and Project Loans for authorization after FY 1971 which it has begun to develop or intends to develop. For each such loan proposal, a tentative work plan should be submitted setting out, for each element of work described below, estimates of the number and type of professional staff needed and the duration and timing of that staff requirement. For purposes of analysis, we suggest that these estimates be prepared separately for the following work elements, although they may overlap in time:

- (a) Gathering of information and data required for the "sector analysis;"
- (b) Analytical work leading to the definition of the scope of the program to be financed;

- (c) Negotiations with host government, should necessary, with to authorization of a loan;
- (d) The staff estimated to be required for the preparation of a Capital Assistance Paper; and
- (e) A summary of the estimated staff requirements resulting from the foregoing analysis, by type, showing when and for what period of time it is estimated to be needed.

D: OPIC Business.

Under existing Delegations of Authority from PRR and the Regions, a few Missions have substantial responsibilities in the administration of the Cooley Loan Program. Continuation of this arrangement would require the retention of A.I.D. staff in the field specifically and exclusively for that program. In addition, many Missions are involved in the administration of the Investment Insurance and Extended Risk Guaranty programs. A separate assessment of the workload involved in the administration of both the Cooley Loan and of the Insurance and Guaranty programs should be provided by the Missions in completing the forms provided in Attachments 1 (a) and (b). Where that workload is substantial, a separate form covering these activities could be used.

E. Field Staff to be Reviewed.

- 1. Present Staff. The U.S. direct hire positions involved in the capital assistance and loan programs include:

--Those now directly involved: Capital Development Officers

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(Loan Officers); Engineers; Lawyers; Supply Officers (is concerned largely with the implementation of program loans), Secretaries assigned full-time to these officers, and any other staff directly and predominantly working on any aspect of the loan program;

- Other positions involved to some degree in these programs may be located in the Technical Divisions (e.g., Agriculture, Education), the Program Office and in the Controller's Office; and
- Executive office positions are indirectly involved through provision of support services.

The current effort is to identify primarily those positions which are most directly involved in the capital assistance and lending programs, i.e. those identified in the first category above. We also wish to ascertain to what extent staff in those positions has collateral responsibilities in other AID programs. (In some cases, Engineers are also active in the technical assistance program, loan officers are involved in private enterprise and industry programs, and the responsibility of legal advisors extends by definition beyond the capital assistance area.) Where these collateral duties are substantial this should be indicated in preparing Attachment 1 (a3b).

On the other hand, staff assigned to technical divisions (such as Agriculture, Education, Health and Family Planning) have, during the last few years, become increasingly involved in the preparation and implementation of loans, particularly Sector

loans. In cases where the participation of such staff is, or is planned to be substantial, their position should be included in the tabulation shown at Attachment 1, and the approximate percentage of their time devoted to the loan program shown in the Remarks column.

2. Capital Assistance Staff to be Retained in the Field. In some country situations, it will be desirable to retain a limited number of positions directly concerned with the capital assistance programs both for liaison and operational functions. In assessing these requirements, the possibility of serving the needs in two or more countries by staff located in only one of them should be considered.
3. Field Assignments in Process. To ensure that no personnel in the categories herein discussed are moved to the field before the plans for future staffing have been developed, all field assignments in process should be carefully reviewed. Processing should be completed only in those cases where the Regional Assistant Administrator is satisfied that the field position involved would in no event be transferred to Washington or eliminated in the course of the centralization process. These considerations might be usefully applied to other Mission staff categories that may be affected by loan centralization.

F. Washington Staff and Related Considerations.

1. Manpower Needs. The offices in the Regional Bureaus which are responsible for capital assistance activities will have to be

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presented to administer centralized lending activities. This is expected to be accomplished largely by the transfer of staff from the field to Washington. In preparing the staffing plan for their future operation in Washington, the Regional Bureaus should allow for sufficient positions to permit the increased field visits which will be necessary both for adequate monitoring and in connection with loan development work.

2. Timing of Personnel Transfers. The different size and composition of the active loan program in different Missions, differences in the size of the existing Capital Assistance staff and in needs for a residual staff will probably result in a different pattern of staff transfers in the four Regions. The revised Regional Bureau Staffing patterns illustrated in Attachment 2 will be used to assess and coordinate staff needs and gaps.

3. Delegation of Authority to Missions.

Existing Delegations of Authority to Missions to take specific actions relating to the capital assistance program will need to be reviewed to identify those activities no longer appropriate for delegation under a centralized plan of operation. Ad hoc assignments (which would not require the formality of the present Delegations) could be made as needed, in areas where existing Delegations are withdrawn.

IV. Documentation Required.

A. The following documentation should be submitted by the Missions to the Regional Bureaus:

1. Analysis of implementation workload in the form shown in Attachments 3(a) for individual loans and 3(b) for summaries of the basic data collected on forms 3(a);
2. Additional comments on implementation workload, as appropriate;
3. Analysis of loan development work, as described in paragraph III.B.1, above, supplemented by such additional comments as Missions may deem appropriate.
4. Recommendations on realignment of Mission staff in the format provided in Attachments 1(a) and 1(b), together with such narrative statements as the Missions consider appropriate.

The foregoing documentation to be prepared by the Missions need not be submitted to the Deputy Administrator but should be retained by the Regional Bureaus.

B. The following documentation should be submitted by the Regional Assistant Administrators to the Deputy Administrator, taking into account the submissions received from the Missions and incorporating such modifications of the Missions' finding and recommendations as they deem appropriate:

1. A narrative statement:

- (a) summarizing the staffing for loan activities proposed for their respective Regions, both in the field and in Washington;
- (b) identifying any special problems resulting from the analysis of each field Mission;
- (c) setting out any special considerations which they recommend to be taken into account in implementing the proposed staffing plan; and
- (d) any other comments and recommendations.

2. Analyses of Mission staff realignments in the form shown in Attachments 1(a), 1(b) as approved by them.

3. Proposed organization and staffing pattern for the Region's loan operations in Washington in the form provided in Attachment 2.

C. The documentation described in B. above, should be submitted to the Deputy Administrator by February 1, 1971.

ATTACHMENTS:

- 1(a) Overseas U.S. D-H Positions Directly Involved in Loan Activities
- 1(b) Authorized D-H Foreign National Positions Directly Involved in Loan Activities
- 2 Proposed Revised Organization & Staffing Patterns for Centralized Lending Operations
- 3(a) Development Loan - Summary of Implementation
- 3(b) Development Loans - Remaining Implementation Actions

COUNTRY: _____

OVERSEAS U. S. DIRECT HIRE POSITIONS DIRECTLY INVOLVED IN LOAN ACTIVITIES

I	II	III	IV	V	VI	
POSITIONS ^{1/}	GRADE POSITION #	PERSONAL GRADE	INCUMBENT	HOME LEAVE ELIGIBILITY DATE	REALIGNMENT OF POSITIONS ^{2/} TRANSFER POSITION RETAIN AT POST BEYOND TO AID/W ^{3/} 1st Q FY 72	REMARKS (Including justification for why position retained beyond 1st Q FY 72)
Capital Dev. Off. ^{4/}	FSR-3 (246)	FSR-2	C Brown	12/71	9/71	--
Capital Proj. Off.	FSR-4 (487)	FSR-5	D. Jones	12/70	12/70	--
Engineer	FSR-3 (642)	--	Vacant	--	11/70	--
Fiscal Advisor (+)	FSR-2 (369)	FSR-3	H. White	11/71	6/71	--
Supply Officer ^{5/}	FSR-3 (236)	FSR-4	E Cox	4/72	6/71	--
Secretary	FSS-7 (211)	FSS-7	H. Johnson	10/71	9/71	--
TOTAL	6				6	-0-

1. Include authorized positions established under OPRED definition as of November 25, 1970. Identify any position not funded from program funds with an asterisk.

2. Total of Section V should equal number positions in Section I.

3. Indicate by which incumbent available for duty in AID/W (after home leave, etc).

4. Indicate percentage of time devoted to OPIC activity by each position in parentheses beneath position title.

5. Include Supply Officer if working exclusively on program loans.

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COUNTRY: _____

AUTHORIZED DIRECT HIRE FOREIGN NATIONAL POSITIONS DIRECTLY INVOLVED IN LOAN ACTIVITIES

TITLE	II	III	IV		V
	POSITIONS ^{1/}	INCUMBERED OR VACANT ^{2/}	REALIGNMENT OF POSITIONS ELIMINATE POSITION	RETAIN AT POST BEYOND 1st Q FY 72	REMARKS (Including justification for any position retained beyond 1st Q FY 72)
	GRADE NO.				
1. Project Assistant	FSL-4	Vacant	11/70	--	
2. Sec. to Capital Proj. Off.	FSL-5	Incumbered	9/71	--	
TOTAL	2	(1 - Vacant) (1- Incumbered)	2	0	

^{1/} include only positions within Regional Bureau authorized limitations as of November 20, 1970.

^{2/} include only foreign nationals reported in official U-146 report prepared by USAID

PROPOSED REVISED ORGANIZATION AND STAFFING PATTERNS FOR CENTRALIZED LENDING OPERATIONS

<u>ORGANIZATION UNIT & POSITION TITLE</u>	<u>AID/W POSITION CURRENTLY AUTHORIZED OR REQUIRED</u>	<u>POSITION LEVEL</u>	<u>PROPOSED OR EXISTING INCUMBENT</u>	<u>PROPOSED DATE OF TRANSFER FROM OVERSEAS</u>
<u>OFFICE OF CAPITAL DEVELOPMENT</u>				
Chief, Capital Dev. Office	Currently authorized	GS-16	Cox	
<u>ENGINEERING DIVISION</u>				
Engineer	Required	FSR-1 (Proposed)	(Jones)	6/30/71 USAID
<u>TRAINING DIVISION</u>				
Training Officer	Required	GS-15 (proposed)	Vacant	
<u>PROGRAM LENDING DIVISION</u>				
	Sub-total: Currently authorized	_____		
	Sub-total: Required	_____		
	Total: Required	_____		

1/ Include all offices in Bureau affected by centralization of loan operations.

2/ Show date by which proposed incumbent available for duty in AID/W (after home leave, etc.)

/10-23-70

DEVELOPMENT BANK - SUMMARY OF IMPLEMENTATION

REGION: _____

COUNTRY: _____

Loan No.: _____

Loan Title: _____

A. Financial Information (as of latest date available) and Status of Documentation

1. Amount of Loan: _____
2. Loan Agreement Signed: (Give Date) _____
3. First Implementation Letter Issued: (If yes, give date; if not, give est. date and add "est.") _____
4. Conditions Precedent Met Initial Subsequent
(Insert dates) (Number not yet met)
5. Amount Committed: _____
6. Amount Disbursed: _____
7. Terminal Disbursement Date: Present Extension Likely
(Insert dates) (Insert dates)

B. Procurement Schedule

8. Number of Contracts yet to be Awarded by Quarter:

	FY 1971		FY 1972		Total Thereafter
	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	
A&E					
Construction					
Equipment					
Other					

C. Project Status (Construction Where Physical Facilities Financed)

9. Percentage Completed as of 9/30/70 (Use Progress Reports where available, adjusted for months elapsed since issued): _____
10. Estimated Date of Completion: _____

D. Comments (State known problems and any other matters requiring special attention during life of project - add sheets as required)

1/ Loans with code letter "A" (authorized under authority of Development Loan Fund Corporation), "H" (authorized from AID Development Loan Funds), and "L" (authorized from Alliance for Progress Funds); fill out for all loans with undisbursed balances as of October 31, 1970. For Program and Sector Loans complete applicable portions of this form and list special implementation problems in Section D.

DEVELOPMENT LOANS: Remaining Implementation Actions - Country Summary
 (List all loans with undisbursed balances as of October 31, 1970)

ATTACHMENT 100

LOAN TITLE	AMOUNT	Undisbursed Balance (as of Oct. 31, 70)		TDD		Number of Remaining Implementation Actions						Project Cost Category	Other Comments		
		Present	Est.	Present	Est.	Loan Agreements	Initial Implementation Efforts		CONTRACTS						
							Initial	Subsequent	Conditions Precedent	ARE	Construction	Equipment	Other		
TOTAL ACTIONS															

1971 Loan yet to be authorized (List loan and Potential
 actions for authorization only)

For each address check one ACTION | INFO

DATE REC'D.
2807
DATE SENT
12/11/70

TO - AIDTO CIRCULAR EA A-2727 X

FROM KIRKLINE FOR MISSION DIRECTORS

FROM - WASHINGTON

SUBJECT - Planning the Centralization of Loan Operations in the AID/W

REFERENCE -

In the President's September Foreign AID message he stated Quote . . . I am directing the administrators of our present development programs to take steps to conform these programs, as much as possible, to the new concepts and approaches I have outlined. Unquote.

One of the first areas for review and study by AID/W has been the planning for the streamlining and centralization within the Regional Bureaus of loan operations. The attached memo and forms outline the data collection and analysis which each Mission is requested to undertake if AID/W is to develop a balanced plan for fulfilling the President's expectations. Since this study is receiving highest level consideration, I want each Mission Director to personally become engaged in the study for his Mission.

The conclusions of this study have not been prejudged, and it is anticipated that there will be room for tailoring variances in overall policies to unique Mission circumstances. Our assignment is to shape new ways of doing AID business while maintaining the present integrity of our operations.

While the proposed forms, when completed, will give us the data background, it is most important that you concentrate as well on the narrative analysis and comments. What is needed most is your judgment about the types of lending activities we will most probably undertake in the future together with the kind and location of personnel required for these activities.

PAGE	PAGES
1	2

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OTHER AGENCY

PREPARED BY Frank B. Kimball	OFFICE IA/DR	PHONE NO. 29148	DATE 12/9/70	APPROVED BY: AA/LA, Herman Kleins
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- AND OTHER CLEARANCES
- IA/DR: Miller (in draft)
 - IA/MGE: JWalden (draft)
 - IA/CC: Levy (draft)
 - IA/ST: Hollander (draft)

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CONTINUATION

POST: AMYCO CIRC LA NO. CLASSIFICATION: UNCLASSIFIED 2 of 2

The attached memo outlines many aspects of the lending operations that must be studied and synthesized in our final recommendations. We must deal with present portfolio as well as future, consider delegations of authority, possibilities for regionalization, differing staffing and locational requirements by type of loan, management of related programs such as Extended Risk and Housing Guaranties and personnel transfers. I recognize that this is a large assignment coming during a vacation period and will place an added workload on Mission staff. Unfortunately, the Bureau's report to the Administrator is due February 15, and I must ask that Mission reports be submitted by February 1.

ROGERS

Attachment

3 copies of Memo from Williams to Klaine dated 11/25/70

- CABLE ROOM SEND TO: BUENOS AIRES
- LA PAZ
- RIO DE JANEIRO
- SANTIAGO
- BOGOTA
- SAN JOSE
- SANTO DOMINGO
- QUITO
- SAN SALVADOR
- GUATEMALA
- ROCAF
- GEORGETOWN
- TEGUICIGALPA
- KINGSTON
- MANAGUA
- PANAMA CITY
- ASUNCION
- LIENA
- MONTEVIDEO



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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

January 24, 1972

OFFICE OF
ADMINISTRATOR

MEMORANDUM FOR A. I. D. EMPLOYEES

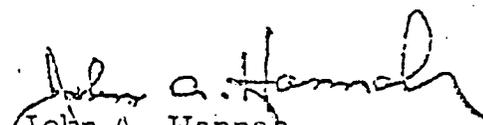
During 1971, this Agency began a number of program and administrative reforms to initiate a transition toward a full response to the President's policy for U. S. foreign assistance in the 1970s. That policy was spelled out in a special message to Congress in September, 1970 and in the submissions of proposed new foreign assistance legislation in April, 1971.

In the fall of 1971, when it became clear that Congress would postpone action on the President's proposed legislation, we embarked on an accelerated and basic internal reorganization.

The attached paper contains our decisions on immediate program and related organizational changes. The paper outlines goals and directions for the Agency and takes the first beginning steps down the road toward these goals. The end objective is a restructured economic assistance program.

We expect the changes called for in this paper to be implemented quickly. Some will be instituted immediately. Mr. Williams will be in charge of this implementation process. Your attention is directed to a statement we made in the paper concerning A. I. D. personnel: "The need for reorganization and change is due to unusual circumstances and not to lack of performance on the part of A. I. D. employees." Throughout this reorganization we will insist that equity and full recognition for past loyal performance and employee rights will be strictly observed.

We want to thank all of those who have participated in the examination of our proposals, particularly Deputy Administrator Maury Williams and those who worked on the Task Force headed by Ernie Stern. Many thoughtful comments have been received from staffs in Washington and from those in the field. The process of reorganization launched by this paper will not end with it. Your ideas for further improvements and changes will be welcomed in the months ahead.


John A. Hannah

ADMINISTRATOR

REFORM OF THE U.S. ECONOMIC ASSISTANCE PROGRAM

1. Purpose and Importance of Economic Assistance

In his statement of April 21, 1971, President Nixon called for "an effective U.S. foreign assistance program for the 1970s. It is our objective to work for peace, not only in our time but for future generations, and we can make no better investment toward that end than to participate fully in an international effort . . . to help the people in the poorer countries fulfill their aspirations for justice, dignity and a better life."

"... The prospects for a peaceful world will be greatly enhanced if the two-thirds of humanity who live in these countries see hope for adequate food, shelter, education and employment in peaceful progress rather than revolution."

"... We do not have all the answers to the questions of poverty, nor adequate resources to meet all the needs of mankind. We do possess the greatest scientific and technological capacity, and the most prosperous dynamic economy, of any nation in history. More importantly, we have, as a vital element of the American character, a humanitarian zeal to help improve the lives of our fellow men."

With these words, the President affirmed that the U.S. would continue to play its part in a great international development effort to help the people in the poorer countries help themselves achieve lives of better quality.

In order to carry out the purposes of the foreign assistance program, the President called for broader participation by private groups in the execution of the program and for enhanced efficiency to assure its greatest possible effectiveness. He called for improved management, a lower American overseas presence, and concentration of our special capabilities in technology and science to help meet basic human needs. The President proposed a reorganization of the aid program which is under continuing review by the Congress. The Foreign Assistance Authorization Act passed in December by the Senate and scheduled to be voted on by the House next week provides a continuing authorization for A. I. D. through Fiscal Year 1973, with the exception of Military and Supporting Assistance that are authorized through Fiscal '72.

2. Progress of Reform to Date

In response to the President's policy, A. I. D. has put into practice numerous reforms which increase the efficiency and

effectiveness of A.I.D.'s operations and strengthen the ability of the United States to contribute to the development process. In particular:

- The creation and operation of the Auditor General's programs have helped us give special emphasis to systems which assure program effectiveness.
- A.I.D.'s administration of security economic assistance is clearly separated from economic and humanitarian assistance within the framework of existing legislation.
- A.I.D.'s technical assistance program is being reshaped to achieve greater responsiveness to the priorities of less developed countries with concentration in the major priority sectors of agriculture and food production, education, public health and population, and public administration.
- A systematic effort is underway to engage American private organizations more effectively in the application of American technical and scientific capabilities to help the less developed countries (LDC's).

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-- The staff of A.I.D. has been reduced by almost 30% from the beginning of Fiscal Year 1969 through the first half of Fiscal Year 1972.

-- Many A.I.D. field missions have made substantial progress in concentrating overseas assistance activities in major priority areas and in reducing staff.

-- A beginning has been made in centralizing A.I.D. lending operations in the Washington regional bureaus.

-- Progress in these reforms will continue.

3. The Need for Further Major Reforms

Further progress in adapting the foreign aid program to the President's new approaches for the 1970s requires changes in A.I.D.'s program operations and organization in Washington.

The operational structure of A.I.D. in Washington has remained essentially unchanged since 1961. At that time the United States provided the lion's share of development assistance, and assumed a strong leadership role in helping other countries to formulate overall economic policies and programs. This strongly

directive style of foreign aid and stepped-up transfer of American resources to the poor countries became an important factor in our foreign relations. The Agency was organized with these objectives in view. It was structured to directly manage large assistance programs through administratively semi-autonomous regional bureaus with a strong emphasis on foreign policy objectives in specific countries. Technical and program support staffs were duplicated in each regional bureau in the overriding interest of central country program and policy management. This made good sense when A.I.D. was the predominant leader both in advising foreign governments on development policies and in the transfer of technical and capital resources. But times have changed since the early 1960s.

The 1960s witnessed marked progress in the LDC's. Their political leaders and technical experts - whose numbers and experience are growing - gained new national awareness of the need to manage their own affairs. Demands for greater economic independence and social justice have assumed increasing urgency as people in the LDC's have realized that starvation, poverty and ignorance are not God-ordained for them and their children. Growing experience and sensitivities among

leaders of the LDC's have overtaken the earlier more directive styles of management for foreign assistance operations. We can place greater reliance on LDC initiatives to identify priorities for assistance and to play a larger role in planning and managing their development programs.

Substantial advances in development were made in the last decade but there also emerged increasingly complex problems. There were important increases in production in most countries. New technological discoveries, and applications in agriculture and food technology created the prospect that starvation and malnutrition could be prevented. At the same time, over-population, urban concentration, depredations against the environment and swelling numbers of marginally employed and unemployed became growing world problems.

The prospects for new technological developments, as well as the increasingly complex problems, call for more sophisticated application of knowledge and skills, and broader cooperation across national frontiers. No longer is the straight transfer of resources in a properly programmed country context a sufficient condition to assure progress in development. Scientific application and the search for new solutions in assistance programs demand professional

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skills and innovation of the first order. These solutions will require significantly new approaches in our financing and management of research, and the diffusion of information and technology. We will, for example, attempt increasingly to direct our efforts to finding solutions to problems common to many countries rather than, as in the past, continue to focus our endeavors in a nearly exclusive country-by-country approach.

Another important change is the fact that the U.S. is not as predominant in the development assistance field as it once was. A broad international system for sharing the responsibility for development assistance and for coordinating donor country effort is emerging. It will be a major purpose of A.I.D. in the future to encourage the further development of this system.

U.S. resources made available for development assistance have declined in absolute amounts over the past decade. While the U.S. is still the largest contributor, relative to total resources it ranks well below most other Western industrialized countries in its relative contribution to development assistance. The rapid growth of assistance from other developed countries has been significant, both in bilateral programs and in the growth of international and regional

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financing institutions. Today the U.S. is a major participant in a widely shared international effort to encourage the LDC's to proceed with the mobilization of their own resources for development and to provide assistance in a multilateral framework. A.I.D. has the analytical skills, broad knowledge and first-hand experience with economic and social problems to make meaningful contributions to the development policies and programs of the international organizations.

Other important changes which have occurred since the early sixties affecting the U.S. relations with other countries include: the growth of new centers of economic and political power, the rapid pace of social and technological changes, the increasing emphasis on man's relations with his environment, and the sharper and still growing disparity between the affluent advanced countries where one-third of the world's people live and the disadvantaged two-thirds of the world's people who live in the LDC's - too many of them enslaved by hunger, squalor and ignorance.

The implications of these broad trends and changes for American policy and interests in the 1970s cannot be fully perceived, but it is clear that A.I.D. programs, operations, and organization, originally developed to serve the needs of the early 1960s, can be improved by a conscious adaptation to the world of today and tomorrow.

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Redirection of Program Operations and Organization

A more collaborative style of assistance which recognizes that the people of the developing countries are at the center of development cooperation programs is the keystone of this redirected program. We will extend this assistance style to all our activities so that U.S. assistance programs in the developing countries will operate under guidelines mutually agreed with the developing countries.

Broad participation by American private groups in the practical work of development will be an important means to facilitate the transfer of American experience and know-how to people who need and want our help. Qualified private professional, business, educational, non-profit and voluntary organizations can play a larger role in carrying out development work by collaboration as partners in the U.S. assistance program.

American universities have played a major role in assistance programs. They have helped train tens of thousands of developing country professional and technical personnel, a large portion of whom are now in important leadership roles. There have been increasing benefits on the U.S. side from the universities' experience overseas.

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The task ahead is to find fresh ways of relating the innovative, creative and knowledgeable individuals and institutions in our society --all kinds of institutions--to developing country individuals and institutions in such a way that the quality of the lives and the productive capacities of people in these countries can be improved. The assistance techniques must adjust to the changing realities in the developing countries. The preferred mode is joint problem solving by LDC and American personnel.

Increasingly, A. I. D.'s role will be to plan development programs, to help to fund private organizations to design and execute development activities in collaboration with experts and institutions in the developing country and A. I. D., then to monitor the progress and results.

Private groups are increasingly developing the competence, experience and skills necessary to execute development activities with a minimum of direct U. S. Government supervision. Their enlistment in development work allows for the contribution of talents and experience which otherwise would not be available to developing countries.

A. I. D. has been making progress in engaging private groups, by contract, to carry out a greater share of the overseas development work. The Agency will experiment further with new techniques to encourage more direct professional collaboration between developing country and American institutions.

A. I. D. is experimenting with block grants directly to developing countries who engage American private groups for agreed upon development work. Alternatively grants are provided to U. S. non-profit organizations to carry out development activities. In these cases the U. S. Government's role is that of a financing intermediary. More needs to be done in developing techniques which simplify the administration of aid and reduce overhead in personnel and administrative costs.

Strengthening programs of Population and Humanitarian

Assistance will be a major thrust of the redirected A. I. D. program.

A new Bureau for Population and Humanitarian Assistance will be established within A. I. D.

A. There is a need to reinforce the humanitarian efforts of the United States, both public and private, through improved coordination and working relations with the varied and numerous voluntary non-profit organizations.

In recent years American voluntary agencies have expanded their capabilities and activities beyond narrow traditional humanitarian relief. Their potential for broadened relief and development capabilities is not being fully realized. The new Bureau will formulate an improved program of support to help voluntary agencies plan development-oriented programs in collaboration with developing country objectives

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and institutions.

B. The new Bureau for Population and Humanitarian Assistance will bring together under central direction programs for: Voluntary Overseas Activities, Disaster Relief, General Relief and Rehabilitation, Food Resources administered by A. I. D. under PL 480 Title II Grants and the Population Activities of A. I. D.

Grouping these activities in a single Bureau recognizes that the MAJOR PERSISTENT DISASTERS TODAY ARE HUNGER -- half the world's children go to bed hungry -- and THE PRESSURE OF POPULATION ON A LIMITED ENVIRONMENT AND RESOURCES. In these broad areas of humanitarian concern -- as well as helping with shorter term natural and man-made disasters -- private agencies have an important role to play.

C. The immediate disaster relief capability within the Agency will be upgraded and strengthened. Experience this past year in dealing with assistance for the Pakistan disasters demonstrated the need for: higher level policy direction within the U. S. Government, better means of coordinating public and private responses, and, when appropriate, operational approaches to coordinate U. S. relief activities through the United Nations. The new Assistant Administrator for Population and Humanitarian Assistance will be charged with these responsibilities.

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D. Problems of population growth and birth control are the most pressing of all and population will continue to receive the highest priority.

A central office of Population in the new Bureau will assume the responsibilities now carried out by the population staff of the Technical Assistance Bureau and the population staffs of the regional bureaus. A single office in A. I. D. charged with population assistance policy, research and operations on a global basis will provide a strengthened and coordinated response to population problems.

The Office of Population will be responsible for planning, developing and monitoring the implementation of all population projects. Regional Bureaus will retain responsibility for participating in the approval of country and regional population strategies and for reviewing all proposed population projects from the standpoint of appropriateness to specific country or regional needs. Population staff may be seconded from the Population Office to the Regional Bureaus to help fill their liaison and review needs. All new projects will be approved by the Administrator's office in order to assure conformity with Agency policy and regional and technical feasibility.

E. The new Bureau for Population and Humanitarian Assistance will provide more effective management and a broader image for U.S. humanitarian programs by consolidating activities which concern the

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most urgent needs of people -- help in immediate disasters, hunger and over-population. The new Bureau takes account of the important role which voluntary non-profit organizations are already playing in the broader humanitarian areas and will seek to encourage fuller and better use of their potential.

F. Programming economic assistance more directly to meet basic human needs, rather than primarily for over-all country growth, will be an essential feature of our redirected A. I. D. American long-term interests require that there be increased well-being in the less developed world. We have learned that if development is truly to occur -- it has meaning only to the extent that genuine benefits accrue to those in the lower levels of the social and economic order. We believe that the United States through its assistance programs has a unique and significant contribution to make in bettering the condition of people and we will focus our programs directly upon helping improve their lot. We will seek to do this by increasingly applying our country's best technological, management and research capabilities to helping solve their problems.

We have singled out areas of special concentration such as agriculture and food production, education, population, and public health where improvements will directly touch upon the lives of hundreds of millions and in which the United States has much to offer. A. I. D. accepts as its greatest challenge for the future

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effectively bringing to bear on these great human problems the best American know-how, planning and management skills.

Most of A. I. D. 's technical assistance projects address basic human needs in the developing countries. Their effectiveness will be increased if technical and capital projects are integral parts of carefully developed sector strategies which draw on the best professional experience and are related to broad regional trends in the specialized fields. A. I. D. has a distinctive advantage in being able to concentrate both capital and technical assistance resources on key sector objectives.

The effectiveness of A. I. D. 's projects will be increased if their planning and execution can count on stability and continuity of effort. Major human problems require persistent effort for many years to reach project goals. Longer term approaches to problems and budgeting will be sought, within the limits of Congressional appropriation policies and procedures.

Adoption of sector strategies will improve A. I. D. analysis, enable better project selection, and provide a sound basis for attention to development policy issues and priorities. By focussing on major sectoral problems it should prove easier to engage the best professional talent in A. I. D. programs.

G. In the transitional period immediately ahead, the Regional Bureau leadership will have an opportunity to redirect their program planning and implementation responsibilities in sectoral terms related to the broad regional areas of their concern.

The future role of the Regional Bureaus will be primarily in:

- sector analysis combining capital, technical, food and other assistance resources.
- refining sector strategies and project design.
- oversight and monitoring of program and project implementation.
- maintaining country expertise where there are major A. I. D. operations.
- representing A. I. D. in country, regional and consultative organizations.
- supervising Agency field offices.

To carry out these responsibilities the Regional Bureaus will continue to report directly to the A. I. D. Administrator. They will retain their program, loan, and technical staff capacities but they should assure that these staffs integrate effectively in the new sectoral context. They will look elsewhere for supporting services which lend themselves to centralization. Thus the Regional Bureaus will rely

on a new Bureau for Program Services for commodity procurement, contracting, engineering, and management support services, as they now look to central offices for personnel and participant training services.

Relieving the Regional Bureaus of program support functions will free them to concentrate on the substantive aspects of sectoral analysis, planning and monitoring implementation. They will draw on the Technical Assistance Bureau for assistance in assuring that the best available technical analysis is employed in these tasks -- using resources both within and outside the Agency.

To assure continued Regional Bureau authority over programs in their respective areas, Regional Assistant Administrators' approval will be required for new programs and projects.

To meet the concern of the Regional Bureaus for responsiveness and adequacy of service from centralized offices several

mechanisms will be employed. Bureaus may retain one or two persons to provide advice in bureau management and to provide liaison with central management offices. As mutually agreed between the Regional Bureaus and the Bureau for Program Services, a limited number of specialists (e.g., engineers, commodity procurement officers, contracting officers) may be detailed from Program Services to specific Regional Bureaus to provide in-house advisory capability and continuity in the Regional Bureaus. Such details will be limited to special circumstances where the Regional Bureau workload and portfolio justifies such an arrangement. These arrangements will be kept under continuing review to assure the most effective and efficient deployment of manpower.

Regional Assistant Administrators will participate in the evaluation of the quality and timeliness of the service performance of the heads of the several central program support offices.

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H. The Near East South Asia Bureau and the Office of East Asia Development will be combined in a single Bureau for Asia.

L. A new Bureau for Program Services will consolidate and centralize program and management support functions throughout A. I. D., and the staffs and responsibilities for these functions will be moved to the Program Services Bureau from the regional and other Bureaus and offices. This service-oriented Bureau will provide responsive central support to the Agency as a whole in the following areas:

- a major wing for Program Support will include central offices for: training, contracts, commodity procurement and engineering;
- a second major wing for Management Support will include central offices for: Controller, Personnel, Management Analysis, Data Systems, and other administrative support functions.

Centralizing these common support functions will:

- assure greater consistency of Agency policies in dealings with outside organizations. This is important in contracting and procurement where A. I. D. has been criticized for five regional "faces" in its dealings with commercial firms, universities, foundations and private organizations.
- permit flexibility to respond more quickly to the requirements for service throughout the Agency.

- facilitate more effective professional service to the Agency as a whole. This will provide greater opportunity for upgrading of professional competence and for career mobility within each professional group.

- achieve more efficient use of manpower through the consolidation of similar and in some respects duplicating functions and staffs and by eliminating unnecessary overhead, thus permitting a gradual but significant reduction in the number of positions required.

- facilitate Agency-wide reforms and simplification in policy and operating procedures in the "common services" area.

A consolidated approach to common support functions will be a more effective and less costly way of meeting Agency needs.

Housing and American Schools and Hospitals will also report to the Assistant Administrator for Program Support.

J. Personnel Management during the transition will prove difficult.

The reorganized A. I. D. over a period of time could achieve economies in personnel of up to 20-25 percent of A. I. D. 's present American staff and at the same time realize an effective assistance operation consonant with the policy needs of the 1970s. These results in economy and efficiency will only be possible if the Agency receives authorities from the Congress to

effect an orderly reduction in staff by incentives for selective retirement of eligible personnel. The alternative of an enforced reduction-in-force, under established procedures, would be destructive of Agency effectiveness and would not permit redirection of the Agency with the quality staff which is essential for the achievement of a better directed and more effective economic assistance program.

The Agency administration is determined to deal with A. I. D. personnel throughout the reorganization with equity and full regard for past loyal performance and rights of A. I. D. employees. The need for reorganization and change is due to external circumstances and not to lack of performance on the part of A. I. D. employees. The overall performance of A. I. D. employees under difficult and frequently trying circumstances has been exceptional. It is this solid bedrock of skilled and dedicated personnel which makes possible the redirection and adaptation of the Agency to the changing needs of the 1970s.

5. Research and Innovation: The search for more effective techniques and adaptation of advanced technologies must occupy a prominent position in all A. I. D. 's development operations. The unprecedented and complex problems facing developing countries call for application of more sophisticated knowledge and skills in our assistance programs than have been seen applied

in the past. As the Stern Committee stated in its report of December 13, 1971, "...we must devote a much greater share of our talents, effort and finances to help find answers to the critical development problems." Application of the research recommendations of this report will strengthen A. I. D 's role as an innovator in development. They include:

- articulating a comprehensive research philosophy;
- increasing the efforts of both U. S. public and private research institutions on critical developing country problems;
- an increase in A. I. D. 's efforts particularly in areas of applied research concerned with innovative application of technology and new forms of institutional development;
- more emphasis on strengthening the capacity of developing country research institutions and personnel;
- encouraging selected international research institutions linked to institutions in the developing countries;
- more systematic evaluation of A. I. D. financed research to get better returns in terms of utilization in the developing countries.

A. I. D 's central concept in furthering development of the research capabilities of the poor countries will be the welding and strengthening of worldwide networks of institutions doing comparable research. By

promoting linkages between the comparatively modest research investments that are feasible in developing countries and the research knowledge and capabilities built up by heavy investments over many years in the U.S., other developed countries and the international research institutes, A. I. D. will help to make research efforts in the developing countries more productive than they could otherwise be and will accelerate the growth of research capability in these countries. The research capabilities of the U. S. have much to offer and can be brought to bear on developing country problems most effectively and economically by this approach.

The Technical Assistance Bureau of A. I. D. is the focal point for articulating technical assistance policy and strategies which will permit a coordinated employment of A. I. D.'s resources in research, institutional grants, and major pilot programs in innovative approaches to the solution of critically key problems of development.

Technical and Regional Bureau activities will be coordinated. More sharply focusing Regional Bureau programs on sector strategies will offer the Technical Assistance Bureau new opportunities to provide

professional leadership and to adapt problem solving approaches into most of A. I. D.'s operations. The Technical Assistance Bureau, started as a pioneering effort in technical innovation, is now charged with the major task of providing professional leadership in research, program development, and technical assistance policy for agency-wide application.

6. Economic Supporting Assistance under existing legislation is administered as a separate Bureau of A. I. D. essentially concerned with programs in South East Asian countries. We continue to hope that Congress will eventually separate Supporting Assistance from A. I. D. The Bureau will be fully subject to central A. I. D. policy and direction as long as it remains part of A. I. D.

Centralization of program and management support services and engineering will apply to the Supporting Assistance Bureau in the same way as other regional bureaus.

The Supporting Assistance Bureau will speed its consideration of program approaches to enhance the reconstruction and economic self-reliance of the South East Asian countries. It may be that major capital assistance to those countries should be transferred progressively to dollar repayable supporting assistance loans under appropriately concessionary terms.

7. Dollar repayable capital loans continue to be an important element of assistance in the redirected A.I.D. program. The U.S. plays an essential part through the bilateral lending program. This program participates in the funding consortia led by the World Bank and in consultative groups for many of the LDCs. Increasing use is being made of new sector programming techniques effectively combining capital loan and grant technical assistance in addressing basic human needs. Capital loans are a key resource in this sector focus.

8. Greater central policy and program direction will be exercised. In the past the Regional Assistant Administrators have had great autonomy in program decisions under broad policy guidance from the Administrator and within the framework of detailed manual orders - in an attempt to maintain conformity among the autonomous bureaus. With greater centralization of policy and program direction,

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the system of Agency manual orders will be replaced by a series of Policy Determinations issued by the Administrator together with specialized handbooks on supporting operations.

To assist the Administrator in the redirection of the Agency's program, an Administrator's Advisory Council composed of senior officers of the Agency, will regularly consider broad program or operational issues and act to speed the process of internal staff review.

A Project Approval Committee, under the leadership of the Deputy Administrator, will assure that proposed projects support Agency policy and objectives. A major task of the Committee will be to review proposed new projects to assure that they conform to the Administrator's guidelines for sector concentration, adapt to key problem solving objectives, infuse applicable research and training, and achieve maximum economies in the delivery of A.I.D. resources. The Deputy Administrator will maintain oversight of proposed loans before their submission to the inter-agency Development Loan Committee.

9. A strengthened Program and Policy Coordination Bureau (PPC) will assist the Administrator in achieving more effective central direction of A.I.D.'s program. PPC, in addition to its present responsibilities, will include:

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- a consolidated Budget Office combining the staffs now concerned with budgeting in the Office of the Controller and in PPC. The new office will work with the Controller in devising an integrated system for financial planning, budgeting, accounting and reporting. The integrated and revised system will focus on shifting from a country to sector emphasis;

- a Technical Assistance staff to provide a central point for processing Agency projects to assure consistency with policy and sector objectives and serve as secretariat to the Project Approval Committee for central project review and approval;

- the staff of the Office of Evaluation;

- a strengthened policy analysis office;

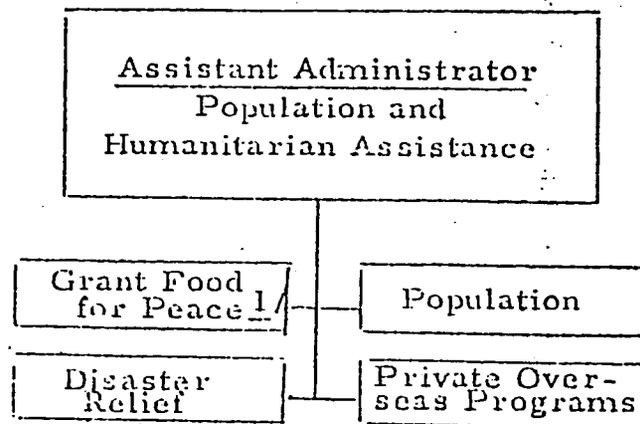
- a strengthened international assistance coordination office.

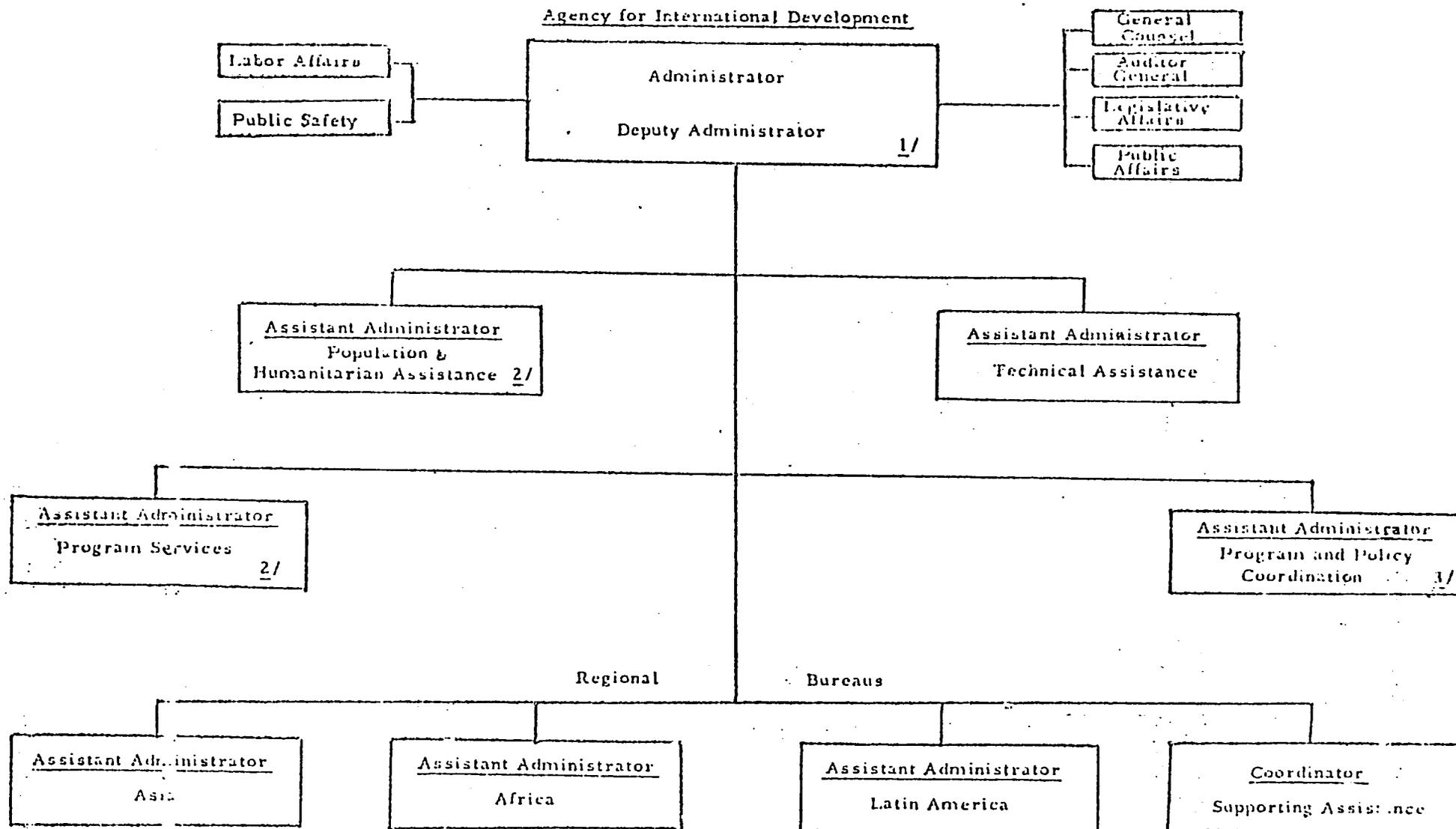
10. The redirected agency will hopefully assume a more important role within the U.S. Government on coordination of major U.S. financial, trade and international development policies related to U.S. Government objectives in the developing countries. This enhanced role flows logically from A.I.D.'s analytical skills and experience, the

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broadened policy context of the redirected A. I. D. program and the President's policy to relate assistance, bilaterally and multilaterally, to overall economic policy relationships with the developing countries.

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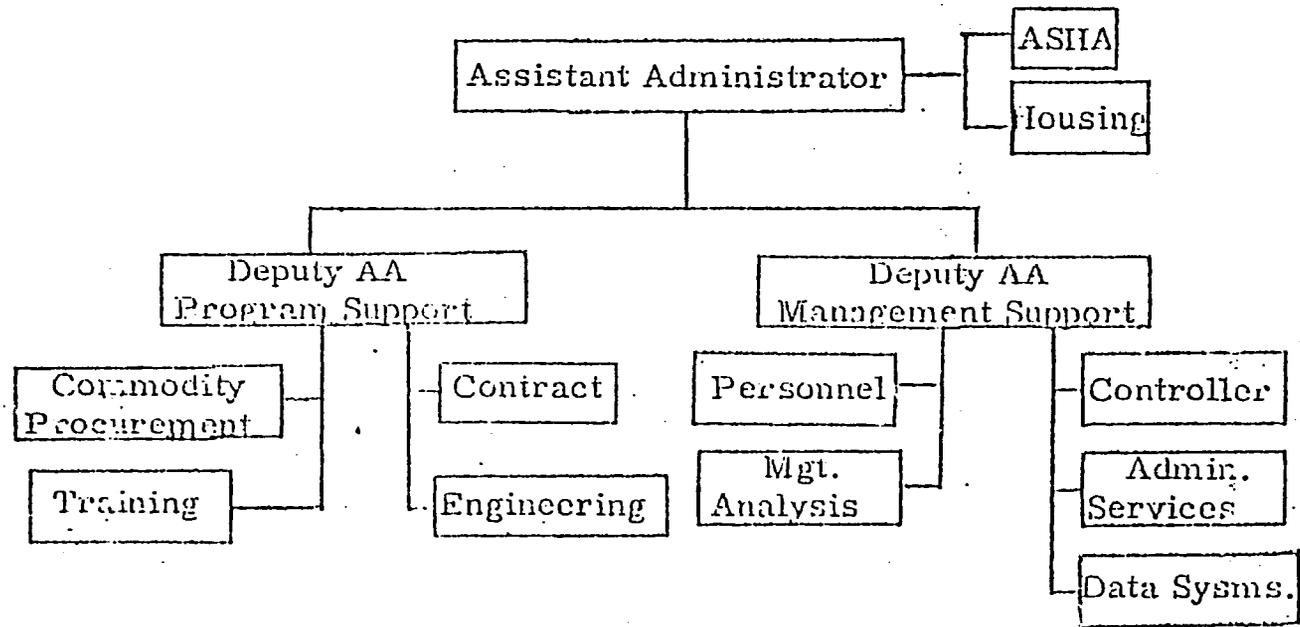




1/ Includes Director of Equal Opportunity Programs.

2/ See Attached chart.

3/ Includes evaluation function and consolidates PPC and A/CONT budget functions.



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

OFFICE OF
THE ADMINISTRATOR

A. I. D. General Notice
February 1, 1972
A/AID

SUBJECT: Establishment of the Bureau for Asia

As part of the implementation of A. I. D.'s internal reform plan announced January 24, 1972, there is established a new Bureau for Asia. Mr. Donald G. MacDonald is designated Assistant Administrator for Asia (AA/ASIA).

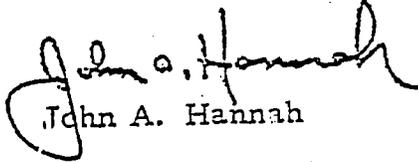
The new Bureau for Asia combines the development programs currently administered by the Bureau for Near East and South Asia and those administered by the Office of East Asia Development Programs (programs in Indonesia, Philippines, Korea, and limited or residual activities in Malaysia, Singapore, Hong Kong/Macao, Ryukyu Islands, Taiwan, and Burma).

In order immediately to assign responsibility for these programs to the Assistant Administrator for Asia, existing delegations of authority are being revised as of this date.

The Assistant Administrator for Asia is responsible, in collaboration with the Assistant Administrator for Program and Management Services, for developing organization and staffing plans, revised redelegations of authority (in consultation with the General Counsel), revised operating procedures, and other necessary implementation plans for the new Bureau. In discharging this responsibility, the AA/ASIA will consult with the Supporting Assistance Bureau.

As promptly as practicable, the AA/ASIA will submit to the Deputy Administrator for his approval the reorganization plans for the new Bureau. Existing functional and personnel assignments, redelegations of authority, and support services from the Supporting

Assistance Bureau, will continue unchanged until further notice except that the Assistant Administrator for Asia will redelegate, effective this date, appropriate authorities to the Director, Office of East Asia Development Programs.


John A. Hannah

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A. I. D. List H, Position 5

A. I. D. List B-1 (Circulate 1 copy to every 5 employees)

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

OFFICE OF
THE ADMINISTRATOR

A. I. D. General Notice
February 1, 1972
A/AID

SUBJECT: Establishment of Administrator's Advisory Council

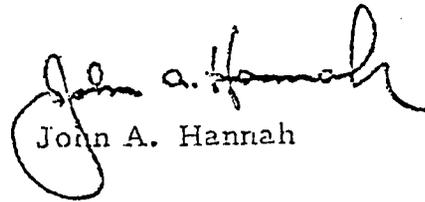
As part of the implementation of A. I. D. 's internal reform plan announced January 24, 1972, there is established an Advisory Council to provide for systematic review of major policy and program issues. The Council will assist in strengthening central direction of Agency programs, speeding the decision-making process within the Agency and improving the dissemination of information on major policy decisions.

The Council will be chaired by the Administrator. Its membership will consist of the Deputy Administrator, all Assistant Administrators, the General Counsel, the Auditor General, the Director, Office of Legislative Affairs, and the Director, Office of Public Affairs.

The Executive Secretary of the Agency will notify members of meeting times, inform them of the agenda for each meeting, and assign responsibility for preparation of papers. Major decisions made by the Administrator in the course of or as a result of Council deliberations will be disseminated by the Executive Secretary.

While there will be no rigid restrictions on the subjects to be considered by the Council, its consideration normally will be devoted to major Agency and development-related issues within the U. S. Government and in international organizations. These include overall program policies and sector strategies; positions on issues before international financial and development institutions; overall programming, budgeting, and Congressional Presentation matters; and major operational and administrative issues. Senior Agency officers should inform the Executive Secretary of issues which may be appropriate for consideration by the Council.

The Executive Secretary may issue, from time to time for the guidance of members, supplementary instructions and information on the operation of the Council.



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OFFICE OF
THE ADMINISTRATOR

A. I. D. General Notice
February 1, 1972
A/AID

SUBJECT: Establishment of Project Approval Committee

As part of the implementation of A. I. D. 's internal reform plan announced January 24, 1972, there is established a Project Approval Committee under the chairmanship of the Deputy Administrator. Committee membership, while it will vary according to the type of activity under review, generally will comprise the proposing Bureau or Office, all Regional Bureaus, the Bureau for Program and Policy Coordination, the Bureau for Technical Assistance, the Bureau for Program and Management Services, and other Bureaus or Offices as appropriate. The Assistant Administrator for Program and Policy Coordination will serve as Secretary of the Committee.

The purpose of the Committee is to assure that proposed projects support Agency policy and objectives. As part of its functions, the Committee will review loan, grant, P. L. 480, and housing investment guaranty proposals to assure that they conform to Agency guidelines for sector concentration, contribute to key problem-solving objectives, infuse applicable research and training, and achieve maximum efficiency in the delivery of A. I. D. resources.

Because of the number of projects involved, it would not be practical--nor in keeping with the need to expedite the Agency's business--to submit all projects to the Committee. Therefore, the Committee will review by "exception." The Committee Secretary will screen projects to be reviewed by the Committee. The projects to be reviewed will be those that:

- (1) are of significant size or by themselves raise important policy issues;
- (2) are representative of a number of projects that raise policy issues;
- (3) seek to break new ground, or present new innovative approaches;
- (4) raise difficult management or implementation problems;

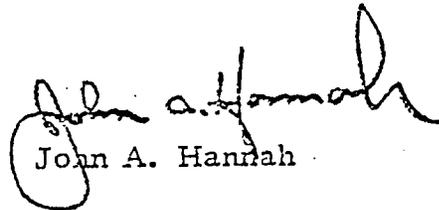
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(5) are new population projects; or

(6) such additional projects as required to provide a representative sample from each operating Bureau or Office should projects falling in the above categories be insufficient.

In addition to the projects selected for review by the Committee Secretary, the Committee will review any project that, in the opinion of the originating Bureau or Office, should be placed before the Committee.

The Committee Secretary (AA/PPC) will issue shortly detailed guidance for the project review process.



John A. Hannah

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OFFICE OF
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A. I. D. General Notice
February 1, 1972
A/AID

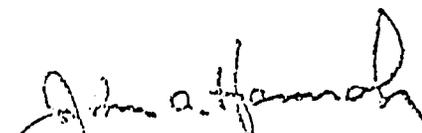
SUBJECT: Establishment of the Bureau for Population and
Humanitarian Assistance

As part of the implementation of A. I. D.'s internal reform plan announced January 24, 1972, there is established a new Bureau for Population and Humanitarian Assistance. Dr. Jarold A. Kieffer is designated as Acting Assistant Administrator for Population and Humanitarian Assistance (AA/PHA). Mrs. Harriett S. Crowley is designated as Deputy Assistant Administrator (acting).

The new Bureau for Population and Humanitarian Assistance will consolidate activities which concern the most urgent needs of people -- help in immediate disasters, hunger, and overpopulation. It will reinforce the humanitarian efforts of the United States, both public and private, through improved coordination and working relations with the varied and numerous nongovernment organizations with overseas humanitarian and development programs. The Bureau will bring together, under central direction, programs for voluntary overseas activities, disaster relief, general relief and rehabilitation, food resources administered by A. I. D. under P. L. 480 Title II grants, cooperatives, and the population activities of A. I. D.

The Assistant Administrator for Population and Humanitarian Assistance is responsible for developing organization and staffing plans, delegations of authority (in consultation with the General Counsel), revised operating procedures, and other necessary implementation plans for the new Bureau. In discharging this responsibility, the AA/PHA will collaborate with the Assistant Administrator for Program and Management Services and the Regional Bureaus and will consult with the Bureau for Technical Assistance, the Office of Food for Peace, and the Office of Private Overseas Programs.

As promptly as practicable, the AA/PMA will submit to the Deputy Administrator for his approval the reorganization plan required for the new Bureau to begin operating. Existing functional and personnel assignments and delegations of authority will continue unchanged until further notice.


John A. Hannah

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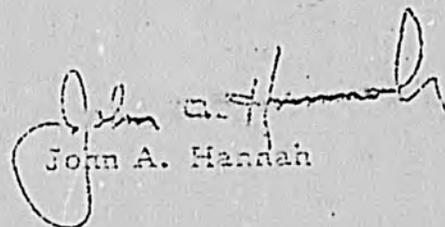
A. I. D. General Notice
February 1, 1972
A/AID

SUBJECT: Transfer of Functions to the Bureau for Program
and Policy Coordination

As part of the implementation of A. I. D.'s internal reform plan announced January 24, 1972, the Bureau of Program and Policy Coordination will be reorganized to include the Office of Program Evaluation, A/AID, and those functions in the Office of the Controller concerned with budgeting. This action will strengthen central program direction and provide a basis for the development of a more effective and integrated system for planning, budgeting, and evaluation.

The Assistant Administrator for Program and Policy Coordination is responsible, in collaboration with the Assistant Administrator for Program and Management Services, for developing organization and staffing plans, delegations of authority (in consultation with the General Counsel), revised operating procedures, and other necessary implementation plans for the reorganization. In discharging this responsibility, the AA/PPC will consult with the Office of Program Evaluation and the Office of the Controller.

As promptly as practicable, the AA/PPC will submit to the Deputy Administrator for his approval the reorganization plan required to effect these changes. Existing functional and personnel assignments and delegations of authority shall continue unchanged until further notice.


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OFFICE OF
THE ADMINISTRATOR

A. I. D. General Notice
February 1, 1972
A/AID

SUBJECT: Establishment of the Bureau for Program and
Management Services

As part of the implementation of A. I. D. 's internal reform plan announced January 24, 1972, there is established a new Bureau for Program and Management Services. Mr. James F. Campbell is designated Assistant Administrator for Program and Management Services (AA/SER). He will be assisted by a Deputy Assistant Administrator for Program Support, Mr. Willard H. Meinecke, and a Deputy Assistant Administrator for Management Support, Mr. James E. Williams (acting).

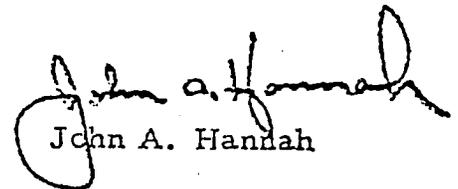
The Bureau for Program and Management Services will consolidate and centralize Agency program and management support services. This service-oriented Bureau will provide responsive central support to the Agency as a whole in the areas of participant training, contract services, commodity procurement, engineering, controller, personnel, management planning, data systems, and administrative support services.

The Bureau also will administer the Agency's worldwide programs for Housing and for American Schools and Hospitals Abroad.

The Assistant Administrator for Program and Management Services will continue to discharge the responsibilities formerly held by him as Assistant Administrator for Administration. In addition, he is responsible for developing, with the full participation of the Regional Bureaus and other Bureaus and Offices, organization and staffing plans, delegations of authority (in consultation with the General Counsel), revised operating procedures, and other necessary implementation plans for the new Bureau. The AA/SER, the Regional Bureaus, and

other Bureaus and Offices will concurrently reach mutual agreement with regard to the Bureaus' requirements for both in-house management support capability and specialist capability (e. g., engineering, procurement, and contracting).

As promptly as practicable, the AA/SER will submit to the Deputy Administrator for his approval the reorganization plan required for the new Bureau to begin operating. Existing functional and personnel assignments and delegations of authority will continue unchanged until further notice, with the exception that effective this date, all delegations and redelegations referring to the Assistant Administrator for Administration are being modified to refer instead to the Assistant Administrator for Program and Management Services.



John A. Handah

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OFFICE OF
THE ADMINISTRATOR

A.I.D. General Notice
February 17, 1972
A/AID
Issue date: 2-24-72

SUBJECT: A.I.D. Organizational Chart

The attached organizational chart reflects the Administrator's Reform Plan of January 24, 1972.

This chart replaces Attachment A to M.O. 201.3 and is to be used as the official chart of the Agency.

Attachment:
Organizational Chart

DISTRIBUTION:
A.I.D. List H, Position 5
A.I.D. List E-1 (Circulate 1 copy to every 5 employees)

Agency for International Development

Administrator
Deputy Administrator

Food For Peace
Labor Affairs
Public Safety

General Council
Auditor General
Legislative Affairs
Public Affairs

Assistant Administrator
Population &
Humanitarian Assistance

Assistant Administrator
Technical Assistance

Assistant Administrator
Program and
Management Services

Assistant Administrator
Programs and Policy
Coordination

Regional

Bureaus

Assistant Administrator
Asia

Assistant Administrator
Africa

Assistant Administrator
Latin America

Coordinator
Supporting Assistance

Includes Director of Equal Opportunity Programs.

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

OFFICE OF
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A. I. D. General Notice
February 1, 1972
A/AID

SUBJECT: Actions Assigned to Implement A. I. D. Reform Plan

The A. I. D. internal reform plan announced January 24, 1972, sets forth a number of program and related organizational changes with the objective of redirecting the economic assistance program. To begin implementing these changes, we have issued, effective today, separate notices establishing:

- a new Bureau for Population and Humanitarian Assistance which will consolidate activities which concern the most urgent needs of people--help in immediate disasters, hunger, and overpopulation. It will reinforce the humanitarian efforts of the United States, both public and private, through improved coordination and working relations with varied and numerous nongovernment organizations with overseas humanitarian and development programs.
- a new Bureau for Program and Management Services which will centralize and consolidate Agency program support and management support functions, including personnel, controller, contracting, commodity procurement, participant training, engineering, data systems, management planning, and administrative support services.
- an Administrator's Advisory Council, composed of senior officers, to assist the Administrator in the redirection of the Agency's program and to strengthen central policy direction.
- a Project Approval Committee, under the chairmanship of the Deputy Administrator, which will assure that proposed projects support Agency policy and objectives.
- a Bureau for Asia which will combine the development programs currently administered by the Bureau for Near East and South Asia and the Office of East Asia Development Programs.

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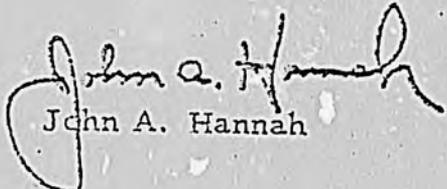
In addition, the Bureau for Program and Policy Coordination is to be reorganized to include, in addition to its present responsibilities, (1) a consolidated budget office combining the staffs now concerned with budgeting in the Office of the Controller and in PPC, (2) a technical assistance staff to provide a central point for processing Agency projects to assure consistency with policy and sector objectives, (3) the staff of the Office of Evaluation, (4) a strengthened policy analysis office, and (5) a strengthened international assistance coordination office.

The Deputy Administrator will oversee the implementation of these changes and major actions will be subject to approval by him or by the Administrator. The Deputy Administrator will look to the Assistant Administrator for Program and Management Services (AA/SER) for assistance in coordinating the reform programs, and AA/SER, primarily through the Office of Management Planning, will provide staff assistance to Agency offices in support of implementation planning and subsequent actions.

We are assigning action to senior Agency officers for development of plans for implementing major segments of the A. I. D. reform program. As promptly as practicable, each action officer will submit, for the approval of the Deputy Administrator, a proposed plan for implementing that phase of reform assigned to him.

The attached list identifies the action assignments, the responsible action offices or officers, and the end product expected. Each action officer may establish working groups to assist him in expediting the completion of the end product. Responsible officers should, as necessary, refer to the reform plan itself for background concerning the specific assignments.

To effect the proposed changes in an efficient and orderly way, the help and cooperation of all A. I. D. employees will be necessary.


John A. Hannah

Attachment:
Actions Assigned to Implement A. I. D. Reform Plan

DISTRIBUTION:
Heads of Bureaus, Offices, and Staffs, A. I. D. /W
Heads of Missions and Offices overseas

ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

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ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

<u>Action</u>	<u>Action Office or Officer</u>	<u>End Product</u>
1. <u>Bureau for Population and Humanitarian Assistance</u>		
A. Develop organization and staffing plans, statement of functions, delegations of authority, revised operating procedures, and other action documents needed to make operational the new Bureau which will include present O/PRI, Title II activities of FFP, and a central Office of Population. <u>1/</u>	AA/PHA in collaboration with AA/SER and in consultation with Regional Bureaus, CO/SA, TAB, FFP, O/PRI, and GC	Reorganization plan for approval by DA/AID
B. Strengthen A. I. D. 's disaster relief capability by providing higher level policy direction, better coordination of public and private responses to requirements, and increased competence in effectively coordinating U. S. activities through the United Nations.	Disaster Relief Coordinator in consultation with PPC	Action plan for approval by DA/AID
C. Formulate an improved program of support to help voluntary agencies plan development-oriented programs in collaboration with developing country objectives and institutions.	DAA/PHA	Action plan for approval by DA/AID

1/ See separate A. I. D. Notice, dated February 1, 1972, establishing the Bureau for Population and Humanitarian Assistance.

ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

<u>Action</u>	<u>Action Office or Officer</u>	<u>End Product</u>
I. <u>Bureau for Population and Humanitarian Assistance (continued)</u>		
D. Develop proposals to reinforce the humanitarian efforts of the United States, both public and private, through improved coordination and working relations with the varied and numerous voluntary nonprofit organizations.	DAA/PHA	Action proposals for approval by DA/AID
E. Develop proposals for strengthening relationships of population programs to other development programs in collaboration with LDC's.	AA/PHA with Regional Bureaus, TAB, and PPC	Action proposals for review by the Council and approval of A/AID

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ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

<u>Action</u>	<u>Action Office or Officer</u>	<u>End Product</u>
II. <u>Regional Bureaus for Asia, Africa, and Latin America</u>		
A. Redirect program planning and implementation in sectoral terms related to broad regional areas.	AA/PPC with Regional Assistant Administrators, AA/TA, and AA/PHA	Draft guidance for review by the Council and approval by A/AID
B. Examine the need for Regional Bureau reorganization to assure that program, loan, and technical staff integrate effectively in the new sectoral context.	Regional Assistant Administrators in collaboration with AA/SER	Action plans for approval of DA/AID
C. Consider alternative approaches to further centralization of loan operations.	T. Lustig, ASIA, with Loan Centralization Resources Group	Proposals for DA/AID approval
D. Develop revised organization and staffing plans, statements of function, revised operating procedures, and other action documents as necessary, to reflect: -- changes required by the centralization of management, program support, and population functions; -- the future primary focus of the Regional Bureaus on sector analysis; refinement of sector strategies and project design; oversight and monitoring; maintaining country expertise; representation in country, regional, and consultative organizations; and supervision of Agency field offices.	Regional Assistant Administrators in collaboration with AA/SER. In addition, Regional AAs will coordinate with AA/TA with regard to sector analysis, refinement of strategies and project design.	Action plans for approval of DA/AID

ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

Action

Action Office or Officer

End Product

III. Bureau for Asia

Develop organization and staffing plans, statement of functions, redelegations of authority, revised operating procedures, and other action documents needed for the new Bureau which will include O/EAD, NESAs, and support functions in CO/SA related to EA development programs. 1/

AA/ASIA in collaboration with AA/SER, CO/SA, and the Director, O/EAD; and in consultation with GC

Reorganization plan for approval by DA/AID

1/ See separate A. I. D. Notice, dated February 1, 1972, establishing the Bureau for Asia.

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ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

<u>Action</u>	<u>Action Office or Officer</u>	<u>End Product</u>
IV. <u>Bureau for Supporting Assistance</u>		
A. Accelerate consideration of program approaches to enhance reconstruction and economic self-reliance in Southeast Asia.	Coordinator for SA in collaboration with AA/PPC	Action proposals for review by the Council and approval of A/AID
B. Complete the internal reorganization of the SA Bureau by developing organization and staffing plans, revised redelegations of authority (as necessary), statements of function, and taking other actions necessary to amalgamate the functions and staff of the SA Bureau.	Coordinator for SA in collaboration with AA/SER and AA/ASIA, and in consultation with the General Counsel	Reorganization plans for DA/AID approval

ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

<u>Action</u>	<u>Action Office or Officer</u>	<u>End Product</u>
V. <u>Technical Assistance Bureau</u>		
A. Provide Agency-wide professional leadership in research, program development, and technical assistance policy.	AA/TA in consultation with PPC, PHA, and Regional Bureaus	Action plans for review by the Council and approval by A/AID
B. Articulate technical assistance policy and strategies for the coordinated use of A. I. D. 's resources in research, institutional grants, and pilot programs in innovative approaches to the solution of critically key problems of development.	AA/TA in consultation with PPC, PHA, and Regional Bureaus	Action plans for review by the Council and approval by A/AID
C. Devote a much greater share of A. I. D. 's talents, effort, and finances to help find answers to the critical development problems and to strengthen A. I. D. 's role as an innovator in development through (a) articulation of a comprehensive research philosophy; (b) encouraging increased efforts by U. S. public and private research institutions on critical problems of developing countries; (c) an increase in A. I. D. 's research effort, particularly in applied research and new forms of institution building; (d) more emphasis on strengthening LDC capacity in research institutions and personnel; (e) encouraging selected international research institutions linked to institutions in LDC's; (f) more systematic evaluation of A. I. D. research results to get better returns in terms of utilization in LDC's.	AA/TA in consultation with PPC, PHA, and Regional Bureaus	Action plans for review by the Council and approval by A/AID

ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

<u>Action</u>	<u>Action Office or Officer</u>	<u>End Product</u>
VI. <u>Bureau for Program and Management Services</u>		
A. Develop organization and staffing plans, delegations of authority, statements of functions, revised operating procedures, and take other actions needed to make operational the new Bureau which will include all offices currently the responsibility of the Assistant Administrator for Administration, the Office of International Training, and the Office of Engineering. In addition, program support (contracting, commodity procurement, engineering) and management support activities will be transferred to AA/SER from the Regional Bureaus, the Supporting Assistance Bureau, and other Bureaus and Offices. <u>1/</u>	AA/SER with the full participation of CO/SA, Regional Bureaus and other Bureaus and Offices, and in consultation with GC	Reorganization plan for approval by DA/AID
B. Develop new mechanisms to meet the concern of the Regional Bureaus and other Bureaus and Offices for responsiveness and adequacy of service from centralized offices in AA/SER, e. g. : -- arrangements to meet Bureaus' requirements for both in-house management support capability and specialist capability (e. g., engineering, commodity procurement, and contracting). -- procedures to assure Bureaus' participation in the evaluation of the quality and timeliness of the service performance of the heads of the central program support offices.	AA/SER with full participation of the serviced Bureaus and Offices	Action proposal for DA/AID approval
<u>1/</u> See separate A. I. D. Notice, dated February 1, 1972, establishing the Bureau for Program and Management Services.		

ACTIONS ASSIGNED TO IMPLEMENTMENT A. I. D. REFORM PLAN

February 1, 1972

<u>Action</u>	<u>Action Office or Officer</u>	<u>End Product</u>
VI. <u>Bureau for Program and Management Services</u> (continued)		
C. Develop detailed plans for achieving the orderly reduction of American staff, utilizing the proposed legislation for selective retirement incentives for eligible personnel.	AA/SER in consultation with GC	Action plan for approval of A/AID
D. Develop a comprehensive plan for replacing present directives system (A. I. D. Manual Orders, etc.) with a new series of Policy Determinations by the Administrator together with specialized handbooks on supporting operations.	AA/SER in consultation with EXSEC and GC	Action plan for approval of DA/AID
E. Review the Agency's use of and need for public advisory committees, inter-agency committees, and internal A. I. D. committees.	AA/SER in collaboration with EXSEC and in consultation with Bureaus and Offices providing support to or participating in such committees (e. g., TAB, O/LAB, O/PRI)	Action proposals for approval of DA/AID and, as appropriate, A/AID
F. Continue efforts to increase contractor and PASA self-support.	AA/SER with Field Support Task Force	Action proposals for approval of affected Regional Bureaus
G. Continue efforts to simplify A. I. D. procurement procedures.	AA/PPC and AA/SER with Procurement Working Group	Action proposals for approval of DA/AID

ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

<u>Action</u>	<u>Action Office or Officer</u>	<u>End Product</u>
<p>VII. <u>Bureau for Program and Policy Coordination</u></p> <p>A. Develop organization and staffing plans, delegations of authority (as necessary), statements of function, revised operating procedures, and other actions needed to:</p> <p>(1) Effect the transfer of the functions and staff of the Office of Program Evaluation, and the functions and staff in the Office of the Controller concerned with budgeting, to the Bureau for Program and Policy Coordination. ^{1/}</p> <p>(2) Establish a technical assistance staff in PPC to provide a central point for processing Agency projects to assure consistency with policy and sector objectives and serve as secretariat to the Project Approval Committee for central project review and approval.</p> <p>(3) Strengthen the capability of the Office of Policy Development and Analysis, and Office of the International Assistance Coordination, in the Bureau for Program and Policy Coordination.</p>	<p>AA/PPC in collaboration with AA/SER, and in consultation with GC</p>	<p>Reorganization plan for DA/AID approval</p>

^{1/} See separate A. I. D. Notice, dated February 1, 1972, transferring functions to the Bureau for Program and Policy Coordination.

ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

<u>Action</u>	<u>Action Office or Officer</u>	<u>End Product</u>
VII. <u>Bureau for Program and Policy Coordination</u> (continued)		
B. Develop detailed guidance for the Project Approval Committee's review of loan, grant, P. L. 480, and housing investment guaranty proposals.	AA/PPC (as Secretary of the Project Approval Committee)	Detailed procedure for approval of DA/AID
C. Articulate new program policy (focus on basic human needs; concentrate programs; integrate capital, technical assistance, and other resources within sector strategies; seek longer term approaches to major human problems within limits of Congressional appropriation policies and procedures (e. g., multiyear funding)).	AA/PPC with TAB, PHA, and Regional Bureaus	Revised policy guidance for review by Administrator's Council and approval of A/AID
D. Development of guidance for adoption throughout A. I. D. of new assistance style, including collaborative relationship with LDC's, new A. I. D. role, and new techniques to expand U. S. private participation and encourage more direct professional collaboration between LDC's and American institutions (e. g., block grants and grants to U. S. nonprofit organizations).	AA/PPC in consultation with TAB, PHA, and the Regional Bureaus	Policy guidance for review by Administrator's Council and approval of A/AID

ACTIONS ASSIGNED TO IMPLEMENT A. I. D. REFORM PLAN

February 1, 1972

Action

Action Office or Officer

End Product

VII. Bureau for Program and Policy Coordination
(continued)

E. Continue efforts to review and develop guidance and criteria for the use of major aid assistance instruments (grants, direct-A. I. D. contracts, and third-party contracts).

K. Levick, TAB, with the Working Group on the Use of Nongovernmental Organizations

Action proposal for approval of DA/AID

F. Devise an integrated system for planning, budgeting, accounting, and reporting which will focus on shifting from a country to a sector emphasis.

AA/PPC with AA/SER and other Bureaus, drawing on the work of the Financial Management Task Force

Action proposal for approval of DA/AID

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STATUS OF A. I. D. REFORM IMPLEMENTATION

Office of Management Planning
May 3, 1972

1/10

BY WAY OF INTRODUCTION...

The left-hand column of this report repeats the action assignments listed in the A. I. D. General Notice of February 1, 1977. Actions Assigned to Implement A. I. D. Reform Plan.

There are numerous references in other columns of the report to so-called Phase I, II, III papers. These papers are prepared for the Deputy Administrator's approval at the conclusion of distinct phases in the re-organization process.

In the Guide for Reorganization Planning provided to all Action Officers, these phases were described as follows:

Phase I - Terms of Reference

- A. Develop assumptions relevant to action assignment, drawing directly from the A. I. D. Reform Plan or based on logical extensions of statements in the Plan.
- B. Identify open questions (if any) for resolution before reorganization planning can begin.
- C. Consider the need for internal and external coordination and liaison (e. g., with A. I. D. offices and bureaus, OMB, State, Defense, Congressional Committees, Inter-agency Committee membership, etc.) during Phase II (Detailed Reorganization Planning), and identify any special problems requiring further guidance.

Phase II - Detailed Reorganization Planning

- A. Identify programs, projects, and functions to be included in or transferred to the new organization and the positions/personnel currently involved in these activities; concurrently identify those functions which no longer need to be performed or which should remain the responsibility of the office currently performing them.
- B. Develop a proposed organization plan, including organizational charts and brief statement of functions down to the division level.
- C. Develop a staffing pattern for the new organization 1) to accommodate all positions and people currently associated with the function; and 2) to

identify those positions needed in the minimal eventual staffing pattern of the new organization.

D. With the Office of General Counsel, review existing delegations to determine what changes, if any, are necessary and prepare draft revised delegations to effectuate required changes.

Phase III - Formal Implementation

- A. Develop detailed statements of functions.
- B. Request organizational codes and new or revised position ceiling allocations.
- C. Prepare SI-52s requesting personnel reassignment and position actions.
- D. Review existing funding and allotment patterns and request necessary changes.
- E. Determine space requirements for new organization and relocate staff.
- F. Review existing flow of communications and reports, determine needs of new organization and request necessary adjustments.
- G. Review existing contracts and PASA agreements to determine if any backstop changes are necessitated as a result of organizational changes.
- H. Review operating procedures affected by this organizational change and prepare draft new or revised operating procedures to show key points of decision and clearance/approval officers.
- I. Identify policy issues and the need for supporting operational guidance in the areas of responsibility assigned to the new organization as part of the organization's preparations for participating with AA/SER in implementing action assignment VI -- replacement of the present directives system; (manual orders, etc.).

STATUS OF A.I.D. REFORM IMPLEMENTATION

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ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
<p>I. <u>Bureau for Population and Humanitarian Assistance</u></p>	<p>AA/FHA in collaboration with AA/SER and in consultation with Regional Bureaus, CO/SA, TAB, FFP, O/PRI and CC.</p>	<p>This assignment includes those multiple actions necessary to make operational the new Bureau for Population and Humanitarian Assistance. This has been approached in two steps since it is feasible to move ahead on some elements of the new Bureau faster than others.</p>	<p>Implementation action (Phase III) is well underway for these non-population elements of the Bureau.</p>
<p>A. Develop organization and staffing plans, statements of functions, delegations of authority, revised operating procedures, and other action documents needed to make operational the new Bureau which will include present O/PRI and a central Office of Population.</p>		<p><u>First.</u> The reorganization planning for the non-population functions of the new Bureau has been completed and approved by the Deputy Administrator. An A.I.D. General Notice dated April 18, 1972 and Delegation of Authority No. 95 of the same date announced these decisions.</p>	
		<p><u>Second.</u> Consolidation of the population elements of the new Bureau has been approached as the second step in bringing the new Bureau to operational status. The initial effort was to identify the changes in the Agency's policy, program and project approval processes which would result from the Administrator's decision to centralize the administration of the Agency's population programs. This work is nearly completed. Revised programming systems, critical</p>	<p>The next major effort is to identify the projects and positions affected by centralization of the administration of population programs. This work is well underway, and will be reflected in a Phase I-II memorandum which, if approved by the Deputy Administrator, will lead to consolidation of population staff during Phase III.</p>

STATUS OF A. I. D. REFORM IMPLEMENTATIONS

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
I. <u>Bureau for Population and Humanitarian Assistance (A. Cont'd)</u>			to early and continued cooperative work with the geographic Bureaus, other AID/W Bureaus and with the Missions, are being reviewed by each Assistant Administrator and revised to reflect their views.

STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
I. (continued) B. Strengthen A. I. D.'s disaster relief capability by providing higher level policy direction, better coordination of public and private responses to requirements, and increased competence in effectively coordinating U.S. activities through the United Nations.	AA/PHA and Disaster Relief Coordinator, in consultation with DPC.	An action plan for "strengthening A. I. D.'s disaster relief capability" was submitted to the Deputy Administrator on April 11. Implementation of four actions was approved. Initiation of required staff work was authorized on the remainder of the action recommendations, for review with DA/AID in early May. A briefing was given at the April 27 Executive Staff lunch on the disaster relief program, and proposals to strengthen it.	Staff work is being completed on those portions of the action plan which require further review with the Deputy Administrator. Involved also is considerable discussion with State, I. O., the U. N., and with the White House.
C. Formulate an improved plan of support to help voluntary agencies plan development-oriented programs in collaboration with developing country objectives and institutions.	AA/PHA	Work is underway on this action assignment to prepare first a "terms of reference" paper for approval by the Deputy Administrator and subsequently action proposals for Agency-wide review and consideration by the Advisory Council. Included in development of these proposals are discussions with private and voluntary agencies, and with other A. I. D. offices.	These action proposals have been identified by the Administrator as requiring early consideration by the Advisory Council.
D. Develop proposals to reinforce the humanitarian efforts of the United States, both public and private, through improved coordination and working relations with the varied and numerous voluntary non-profit organizations.	AA/PHA	Consideration is being given as to the best approach to this assignment. Informal consultation with the private and voluntary organizations and their committees is underway to obtain their views on feasible actions to reinforce the humanitarian efforts	The action proposals developed to implement this assignment will be reviewed by affected Agency offices prior to consideration by the Advisory Council.

STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
I. (continued) (D. Cont'd)		of the United States." A "terms of reference paper" on this assignment will be prepared as soon as this is feasible.	
E. Develop proposals for strengthening relationships of population programs to other development programs, in collaboration with LDCs.	AA/FHA with Regional Bureaus, TAB, and PPC.	Discussions with each Assistant Administrator have been held to consider steps to carry out this action assignment. A "terms of reference paper" will be developed when a specific approach appears feasible.	The action proposals developed to implement the assignment will be reviewed by affected Agency offices prior to consideration by the Advisory Council.

STATUS OF A.I.D. REFORM IMPLEMENTATION

<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF MAY 1, 1972</u>	<u>NEXT STEPS</u>
II. <u>Regional Bureaus for Asia, Africa, and Latin America</u> A. Redirect program planning and implementation in sectoral terms, related to broad regional areas.	AA/PFD with Regional Assistant Administrators, AA/TA, and AA/PIA	Circular Airgram AIDTO A-543, dated 4/15/72, provided basic FY 74 program guidance and articulated new Agency policies with respect to sectoral planning and implementation.	Follow-up guidance containing more specific information will be forthcoming.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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ACTION ASSIGNMENT

ACTION OFFICE

STATUS AS OF MAY 1, 1972

NEXT STEPS

II. Regional Bureaus for Asia, Africa, and Latin America

B. and D. Examine the need for Regional Bureau reorganization to assure that program, loan, and technical staff integrate effectively in the new sector context; develop revised organization and staffing plans, statements of function, revised operating procedures, and other action documents as necessary, to reflect:

- changes required by the centralization of management, program support, and population functions;
- the future primary focus of the Regional Bureaus on sector analysis; refinement of sector strategies and project design; oversight and monitoring; maintaining country expertise; representation in country, regional, and consultative organizations; and supervision of Agency field offices

I. Bureau for Asia

AA/ASIA, in collaboration with AA/SER, and in consultation with AA/TA, regarding arrangements for sector analysis, refinement of strategies and project design. The joint AA/ASIA-AA/SER examination of Bureau requirements has been completed, and a draft phase I report is under review in the ASIA, SER, and TA Bureaus.

A final Phase I paper should be ready for DA/AID approval by May 5.

STATUS OF A.I.D. REFORM IMPLEMENTATION

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<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF MAY 1, 1972</u>	<u>NEXT STEPS</u>
II. <u>Regional Bureaus for Asia, Africa, and Latin America (Continued)</u>			
2. <u>Bureau for Latin America</u>	AA/LA, in collaboration with AA/SER, and in consultation with AA/TA, regarding arrangements for sector analysis, refinement of sector strategies and project design.	AA/LA is in process of concluding a detailed examination of the need for Bureau organizational adjustments. The current Bureau organization conforms essentially to requirements of the A.I.D. Reform Plan with respect to the sector thrust. However, some adjustments to the LA structure are being considered to 1) strengthen basic sector competence, 2) clarify other functional responsibilities, and 3) assure effective coordination of multilateral and intermediary activities and relationships.	A Phase II paper will be submitted for DA/AID approval by mid-May.
3. <u>Bureau for Africa</u>	AA/AFR, in collaboration with AA/SER, and in consultation with AA/TA, regarding arrangements for sector analysis, refinement of sector strategies, and project design.	An AA/AFR memorandum of March 6, 1972, presenting preliminary thinking on AFR reorganization is under consideration by DA/AID. Meanwhile, AFR and SER are considering the detailed functional and staffing implications of this preliminary plan.	A combined Phase I - Phase II report will be submitted for DA/AID approval during June.

STATUS OF A.I.D. REFORM IMPLEMENTATION

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<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF MAY 1, 1972</u>	<u>NEXT STEPS</u>
III. <u>Bureau for Asia</u> Develop organization and staffing plans, statements of functions, re-delegations of authority, revised operating procedures, and other action documents needed for the new Bureau, which will include C/EAD, NESA, and support functions in CO/SA related to EA development programs.	AA/ASIA in collaboration with AA/DIR, CO/SA, and the Director O/EAD; and in consultation with GC.	All Phase I - II - III implementation actions to consolidate the former NESA and O/EAD staffs in the Bureau for Asia were <u>completed</u> or April 15.	None required.

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STATUS OF A.I.D. REPORT IMPLEMENTATION

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<u>ACTION ASSIGNMENT</u>	<u>ADMIN OFFICE</u>	<u>STATUS AS OF MAY 1, 1972</u>	<u>NEXT STEPS</u>
<u>IV. Bureau for Supporting Assistance</u>			
A. Accelerate consideration of program approaches to enhance reconstruction and economic self-reliance in SEA.	CC/SA with FPC	The Vietnam, Thailand, Cambodia and Laos Desks are all in the process of preparing action proposals for their respective countries. These should be cleared by their counter-part State Department Desks and ready for CO/SA review by May 15.	The combined CO/SA Action Proposal should be ready for Administrator's Council review by June 15.
B. Complete the internal reorganization of the SA Bureau by developing organization and staffing plans, revised delegations of authority, statements of function, and taking other actions necessary to amalgamate the functions and staff of the SA Bureau.	CC/SA with AA/SER, AA/ASIA and GC	A Phase I - II plan was approved by the Deputy Administrator on April 21. It abolished the separate Vietnam and inter-regional components and established a new Vietnam Desk, separate offices for Laos and Thailand, a joint Office of Technical and Capital Development, and a program office expanded to support Vietnam programs and retitled Office of Programming, Planning and Budget. Certain other functions -- management support, contracting, and commodity management -- have been amalgamated temporarily, pending final decisions on their centralization in AA/SER. The VN Public Affairs staff is being transferred to the Office of Public Affairs.	Completion of Phase III actions, including revised functional statements, organization and position codes, allotment patterns, operating procedures, and reporting patterns.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
V. Technical Assistance Bureau			
A. Provide Agency-wide professional leadership in research, program development, and technical assistance policy.	AA/TA in consultation with PPC, PHA, and Regional Bureaus.	A "terms of reference" paper has been prepared and sent to affected Agency offices for review and comment.	A draft action plan is concurrently under preparation for internal TAB consideration prior to review by Agency offices and consideration by the Administrator's Council.
B. Articulate technical assistance policy and strategies for the coordinated use of A. I. D.'s resources in research, institutional grants, and pilot programs in innovative approaches to the solution of critically key problems of development.	AA/TA in consultation with PPC, PHA, and Regional Bureaus.	A "terms of reference" paper for this assignment is being developed.	It is expected that the May/June TAB internal program review will be the basis for preparation of action assignments in each technical area.
C. Devote a much greater share of A. I. D.'s talents, efforts, and finances to help find answers to the critical development problems and to strengthen A. I. D.'s role as an innovator in development through (a) articulation of a comprehensive research philosophy; (b) encouraging increased efforts by U.S. public and private research institutions on critical problems of developing countries; (c) an increase in A. I. D.'s research effort, particularly in applied research and new forms of institution building; (d) more emphasis on strengthening LDC capacity in research institutions and personnel; (e) encouraging selected international research institutions linked to institutions in LDCs; (f) more systematic evaluation of A. I. D. research results to get better returns in terms of utilization in LDCs.	AA/TA in consultation with PPC, PHA, and Regional Bureaus.	A "terms of reference" paper was approved by the Deputy Administrator on March 30. Two action documents -- a draft A. I. D. policy determination, "Support of Research," and a draft statement entitled "A. I. D. Research Philosophy and Its Implementation." -- were prepared and reviewed by the Research and Institutional Grants Council (RIGC). These action documents are being revised to reflect discussion in that forum.	The revised action documents will be circulated for Agency review and scheduled for an upcoming meeting of the Administrator's Council.

STATUS OF A. I. D. REFORM IMPLEMENTATION

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<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF MAY 1, 1972</u>	<u>NEXT STEPS</u>
<u>VI. Bureau for Program and Management Services</u>			
A. Develop organization and staffing plans, delegation of authority, statements of functions, revised operating procedures, and take other actions needed to make operational the new Bureau.	AA/SER with CO/SA Regional Bureaus, other offices, and GC		
1. <u>Engineering</u>		A Phase I paper was approved by DA/AID on March 1. It reflects agreement to centralize all AID/W engineering, but maintain project authority in the Regional Bureaus. A Phase II organization and staffing plan is currently being reviewed by SER/PM for possible adverse personnel actions, and by GC for necessary changes in delegations of authority.	Forward a Phase II report to DA/AID for approval. Complete a "flow chart" review of engineering roles / relationships.
2. <u>Contracting and Procurement</u>		A Phase I paper on centralization of <u>direct contracting</u> is in final clearance.	Preparation of a Phase II "package," including organizational chart, functional statement, staffing pattern, etc., for the new central contract office.
		In the area of <u>borrower/grantee contracting</u> , a separate issues paper recommending a six-month trial period in which the central Contracts Office would participate in the review of all B/G contracts <u>in the As a Region</u> was	

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STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS /S OF MAY 1, 1972	NEXT STEPS
<p>VI. <u>Bureau for Program and Management Services (A. Z. Cont'd)</u></p>		<p>approved by DA/AID on April 4. There will be periodic evaluations of the success of this pilot effort, with an initial report to DA/AID covering the period April 4 - June 4.</p>	
		<p>CO/SA and AA/SER are preparing an Issues paper on centralization of the Supporting Assistance Bureau's procurement functions.</p>	<p>Preparation of a Phase I paper covering all procurement functions, once the CO/SA centralization question is resolved.</p>
<p>3. <u>International Training</u></p>		<p>A Phase I paper was approved by DA/AID on April 5. As part of Phase II, SER/MP is conducting a complete management review of the organization, staffing and procedures of SER/IT.</p>	<p>Target date for completion of the management review is July 1.</p>
<p>4. <u>Personnel</u></p>		<p>On April 4, DA/AID approved a Phase I assumptions paper recommending centralization of the majority of personnel functions now performed by Bureaus and Offices, but recognizing the need for close collaboration with client offices to assure responsiveness (e.g., by reorganizing SER/PM to provide a single contact point for each client). Basic decision-making authority on personnel matters was left in each Bureau and Office.</p>	<p>Work with the Asia Bureau on a pilot program to develop delivery systems in area of personnel management.</p> <p>Prepare an overall Phase II organization package for DA/AID approval.</p>

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF MAY 1, 1972</u>	<u>NEXT STEPS</u>
<u>VI. Bureau for Program and Management Services</u> <u>5. Management Support Services</u>		<p>A Phase I paper was approved by DA/AID on March 13. Principal assumptions include: (1) management decision making is an inherent responsibility of the Bureaus and Offices, while staff support to and service of these decisions will be centralized responsibilities of AA/SER. (2) AA/SER offices will be organized in a manner to assure responsive, client-oriented services; and (3) operational action requests will flow directly between the field and AA/SER offices.</p> <p>After approval of the Phase I paper, 17 major functions to be centralized, located in 21 bureaus and offices, and involving at least part of the time of about 300 people, have been carefully examined. In addition, five special studies have been undertaken to either determine the feasibility of centralization of the function involved, or to streamline future operations.</p> <p>Each AA/SER management support office is developing detailed procedural plans for providing services centrally.</p>	<p>A detailed draft plan for a pilot centralization of management support for the Asia Bureau is being reviewed now. On approval by AA/SER, and AA/ASIA this plan should be in operation by mid-May.</p> <p>The four AA/SER management support offices are well along in their respective reorganization planning. Their plans will be reviewed with prospective clients before implementation, in order to assure that a responsive structure is developed.</p> <p>As soon as the ASIA pilot plan is in operation, detailed plans will be drawn for full centralization, which should begin by July 1, 1972.</p>

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF MAY 1, 1972</u>	<u>NEXT STEPS</u>
VI. <u>Bureau for Program and Management Services (A. 5. Cont'd)</u>		SER/CONT is developing a new organization in order to place emphasis on financial management services to program managers. A "program office" for compiling and analyzing the Agency's total overhead budget is also being developed.	
		SER/MO, the newly established Office of Management Operations, is developing plans for a service oriented structure with emphasis on field support and "one stop shopping" for administrative support in AID/W.	
		SER/DS, in addition to planning centralized records management services, is revising its structure to improve customer service for Agency systems managers who use automated information processing systems.	
		SER/MP, in addition to providing assistance to Reform Program action officers, is developing a "client officer" approach to management analysis, organization review, and manpower review services expected under the centralized concept. MP is also developing plans for the provision of an Agency-wide systems coordination and assistance program -- functions currently being centralized from PPC and SER/DS.	

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
VI. <u>Bureau for Program and Management Services (cont'd)</u>		On related matters in the field, AA/SER offices are cooperating with the Africa Bureau in regionalizing Controller functions in Ethiopia, Tanzania, Kenya and Uganda, and in an examination of the feasibility of regionalization of other management and program support operations in the East Africa Area.	

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STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
VI. <u>Bureau for Program and Management Services (cont'd)</u>			
B. <u>Responsiveness Mechanisms</u> Develop new mechanisms to meet the concern of the Regional Bureaus and Offices for responsiveness and adequacy of service from centralized offices in AA/SER, e.g.: <ul style="list-style-type: none"> -- arrangements to meet Bureau's requirements for both in-house management support capability and specialist capability (e.g., engineering, commodity procurement, and contracting). - procedures to assure Bureau's participation in the evaluation of the quality and timeliness of the service performance of the heads of the central program support offices. 	AA/SER with full participation of the serviced Bureaus and Offices.	The development of such mechanisms is an inherent part of the task of centralization for each SER functional area described above. The detailed procedural development work described for the Asia Bureau pilot plan is illustrative of the attention being given to this problem.	Before centralization plans are approved, each will be judged on its ability to respond quickly and sensitively to client program support needs. In addition, special personnel evaluation procedures will be developed in order to build service incentives into performance patterns.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF MAY 1, 1972</u>	<u>NEXT STEPS</u>
<u>VI. Bureau for Program and Management Services (continued)</u>			
<u>C. Personnel Reduction Plans</u>			
Develop detailed plans for achieving the orderly reduction of American staff.	AA/SER	<p>The Administrator's Reform Plan called for a reduction of up to 20-25 percent of American staff, over time.</p> <p>Additional reductions in foreign national levels are also expected as support requirements are reduced or these services are obtained from other sources.</p> <p>The policy of achieving this reduction through attrition and retirement as programs are reorganized and procedures streamlined is clearly established. While special retirement incentives legislation would have enabled a more rapid reduction, lower levels are still being achieved through a virtual freeze on new hire - with exceptions limited to lower graded clerical positions, where need continues and turnover is high.</p> <p>Last June, Agency employment stood at 13,477, including 5,513 U. S. and 6,964 foreign nationals. As of March, there were 6,219 U. S. and 6,367 foreign nationals, or a reduction of 891 in total Agency employment in nine months.</p>	<p>The Agency must now project trends and minimum essential levels into FY 73 and FY 74. This is being done as a part of both the reorganization and FY 74 program planning processes.</p>

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STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
VI. <u>Bureau for Program and Management Services</u> (continued)			
D. <u>Directives Improvement</u>			
Develop a comprehensive plan for replacing the present Manual Order system with a new series of Policy Determinations by the Administrator, together with specialized Handbooks on supporting operations.	AA/SER in consultation with EXSIC and GC.	SER has established a Directives Improvement Group with wide representation from offices and staffs throughout the Agency. The Group has defined three categories of directives material -- policy determinations, operating principles, and procedures -- and has drafted an Action Plan for the approval of the Deputy Administrator.	The plan should be ready for DA/AID approval by mid-May.
		This Plan would initiate the process of converting from the existing to the new system, and	
		<ol style="list-style-type: none"> (1) establish a small working group headed by a senior A. I. D. official to spearhead the project; (2) assign responsibility to A. I. D. offices and staff for conversion of discrete sections of directive material; and (3) provide maximum flexibility to each office in designing handbooks for their subject matter areas. 	

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STATUS OF A.I.D. REFORM IMPLEMENTATIONS

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ACTION ASSIGNMENT

ACTION OFFICE

STATUS AS OF May 1, 1972

NEXT STEPS

VI. Bureau for Program and Management Services (continued)

E. Committee Utilization

Review the Agency's use of and need for public advisory committees, inter-agency committees, and internal A.I.D. committees.

AA/SER in collaboration with Bureaus and Offices providing support to or participating in such committees.

A comprehensive inventory of all advisory, inter-agency, and intra-agency committees is nearing completion.

An evaluation will be made of each committee in the context of the current Agency reform changes. The possible value of additional committees to facilitate Agency programs will also be assessed. The process will continue during the coming months in tandem with other reform actions.

STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
<u>VI. Bureau for Program and Management Services</u> (continued)			
<u>F. Field Support Arrangements</u>			
Continue efforts to increase overseas contractor self-support, and to streamline or reduce support levels to direct-hire and PASA staff.	AA/SER	Separate earlier efforts to (a) increase contractor and PASA self-support, and (b) streamline field logistic support to all A. I. D. -financed personnel overseas are being continued under one comprehensive action program. Responsibility for this program has been assigned to the newly established Office of Management Operations in AA/SER.	SER/MO will be communicating with the field to identify areas where change in current support arrangements are appropriate. This process will dovetail with FY 74 program planning.
<u>G. Procurement Procedures</u>			
Continue efforts to simplify A. I. D. procurement procedures.	AA/PPC and AA/SER with the Procurement Working Group.	Materials are currently being printed to use under the new "Colombia Plan," which will substitute importer listings for the former transaction-by-transaction advertisement procedure.	A GC ruling is being prepared on the general applicability of U. S. statutory restrictions to procurement of goods or services with local currency, obtained by direct purchase with A. I. D. -appropriated dollars.
		A draft revision of the documentation procedure used for sales agents in Vietnam and Cambodia -- to bring it in line with A. I. D. procedures elsewhere, and to eliminate A. I. D. Form 283 -- is being circulated for Agency clearance.	GC will shortly publish a revision of Regulation L to incorporate the procedures of the "Colombia Plan," and to further simplify the language of Regulation L.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF MAY 1, 1972	NEXT STEPS
<p>VII. Bureau for Program and Policy Coordination</p>	<p>AA/PPC in collaboration with AA/SER, and in consultation with GC</p>	<p>A Phase I paper to establish a new Office of Resources and Budget (PPC/RE) was approved by DA/AID on March 16. A draft Phase II paper is currently being reviewed by PPC, SER, LPCS, and GC.</p>	<p>The Phase II paper should be cleared for submission to DA/AID in early May.</p>
<p>A. Develop organization and staffing plans, delegations of authority (as necessary), statements of function, revised operating procedures, and other actions as needed to:</p>			
<p>(1) Effect the transfer of the functions and staff in the Office of the Controller concerned with budgeting, to the Bureau for Program and Policy Coordination (PPC).</p>		<p>This action is contingent on the organization and functions of the new Office of Development Project Review (See VII. A. 3.).</p>	<p>Prepare a Phase I paper for DA/AID approval.</p>
<p>(2) Effect the transfer of the functions and staff of the Office of Program Evaluation to PPC.</p>		<p>Work has started on a draft proposal in this area. Finalization of a Phase I paper is awaiting Agency agreement on operating guidelines for the Project Approval Committee. (See VII. B.)</p>	<p>Prepare a Phase I paper for DA/AID approval.</p>
<p>(3) Establish a technical assistance staff in PPC to provide a central point for processing Agency projects to assure consistency with policy and sector objectives and serve as secretariat to the Project Approval Committee for central project review and approval.</p>			
<p>(4) Strengthen the capability of the Office of Policy Development and Analysis in PPC.</p>		<p>A draft Phase I paper is being reviewed by other Agency offices.</p>	<p>Prepare a Phase II paper on organization, functions and staffing of the new FPC/PDA.</p>

STATUS OF A. I. D. REFORM IMPLEMENTATION

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ACTION ASSIGNMENT	ACTION OFFICE	STATUS / S OF MAY 1, 1972	NEXT STEPS
<p>VII. <u>Bureau for Program and Policy</u> <u>Coordination</u> (continued)</p>			
<p>(5) Strengthen the capability of the Office of International Assistance Coordination in PPC.</p>		<p>A draft Phase I paper is being cleared with AA/PHA and AA/TAB.</p>	<p>Obtain DA/AID approval of Phase I paper and proceed with required Phase II actions.</p>
<p>B. Develop detailed guidance for the Project Approval Committee's review of loan, grant, P. L. 480, and housing investment guaranty proposals.</p>	<p>AA/PPC (as Secretary of the Project Approval Committee).</p>	<p>Draft operational guidance for the Project Approval Committee is under discussion with Agency offices.</p>	<p>Complete clearance process and submit guidance for DA/AID approval.</p>
<p>C. Articulate new program policy: focus on basic human needs; concentrate programs; integrate capital, technical assistance, and other resources within sector strategies; seek longer term approaches to major human problems within limits of Congressional appropriation policies and procedures (e. g., multi-year funding).</p>	<p>AA/PPC with TAB, PHA and Regional Bureaus.</p>	<p>First steps taken with transmittal of the FY 74 program guidance message of April 15.</p>	<p>Follow-up guidance containing more specific information will be forthcoming.</p>
<p>D. Development of guidance for adoption throughout A. I. D. of new assistance style, including collaborative relationship with LDCs, new A. I. D. role, and new techniques to expand U. S. private participation and encourage more direct professional collaboration between LDCs and American institutions (e. g., "block grants" and grants to U. S. non-profit organizations).</p>	<p>AA/PPC in consultation with TAB, PHA, and the Regional Bureaus.</p>	<p>This will be effected by work done in response to other action assignments.</p>	<p>Follow-up guidance containing more specific information will be forthcoming.</p>

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF MAY 1, 1972</u>	<u>NEXT STEPS</u>
VII. Bureau for Program and Policy <u>Coordination (continued)</u>			
E. Continue efforts to review and develop guidance and criteria for the use of major aid assistance instruments (grants, direct-A. I. D. contracts, and third-party contracts).	K. Levitt, TAB, with the Working Group on the Use of Non-Governmental Organizations.	Major components of report have been drafted. Also, the draft country contracting guideline was reviewed by the Working Group on May 2.	Formulate the issues on country contracting, and prepare and review the integrated overall report. Target date for completion is late May. Advisory Council review could be scheduled for early June.
F. Devise an integrated system for planning, budgeting, accounting, and reporting which will focus on shifting from a country to a sector emphasis.	AA/PFC with AA/SER and other Bureaus, drawing on the work of the Financial Management Task Force.	A Working Group has been formed to develop an integrated system for planning, budgeting, accounting and reporting. Sub-groups are currently documenting the requirements of the new system.	The target date for an operational integrated system is the end of FY 1973.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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BY WAY OF INTRODUCTION...

The left-hand column of this report repeats the action assignments in the A. I. D. General Notice of February 1, 1972, Actions Assigned to the A. I. D. Reform Plan.

There are numerous references in other columns of the report to so-called Phase I, II, III papers. These papers are prepared for the Deputy Administrator's approval at the conclusion of distinct phases in the re-organization process.

In the Guide for Reorganization Planning provided to all Action Officers, these phases were described as follows:

Phase I - Terms of Reference

- A. Develop assumptions relevant to action assignment, drawing directly from the A. I. D. Reform Plan or based on logical extensions of statements in the Plan.
- B. Identify open questions (if any) for resolution before reorganization planning can begin.
- C. Consider the need for internal and external coordination and liaison (e.g., with A. I. D. offices and bureaus, OMB, State, Defense, Congressional Committees, Inter-agency Committee membership, etc.) during Phase II (Detailed Reorganization Planning), and identify any special problems requiring further guidance.

Phase II - Detailed Reorganization Planning

- A. Identify programs, projects, and functions to be included in or transferred to the new organization and the positions/personnel currently involved in these activities; concurrently identify those functions which no longer need to be performed or which should remain the responsibility of the office currently performing them.
- B. Develop a proposed organization plan, including organizational charts and brief statement of functions down to the division level.
- C. Develop a staffing pattern for the new organization 1) to accommodate all positions and people currently associated with the function; and 2) to

identify those positions needed in the minimal eventual staffing pattern of the new organization.

- D. With the Office of General Counsel, review existing delegations to determine what changes, if any, are necessary and prepare draft revised delegations to effectuate required changes.

Phase III - Formal Implementation

- A. Develop detailed statements of functions.
- B. Request organizational codes and new or revised position ceiling allocations.
- C. Prepare SF-52s requesting personnel reassignment and position actions.
- D. Review existing funding and allotment patterns and request necessary changes.
- E. Determine space requirements for new organization and relocate staff.
- F. Review existing flow of communications and reports, determine needs of new organization and request necessary adjustments.
- G. Review existing contracts and PASA agreements to determine if any backstop changes are necessitated as a result of organizational changes.
- H. Review operating procedures affected by this organizational change and prepare draft new or revised operating procedures to show key points of decision and clearance/approval officers.
- I. Identify policy issues and the need for supporting operational guidance in the areas of responsibility assigned to the new organization as part of the organization's preparations for participating with AA/SER in implementing action assignment #1 -- replacement of the present directives systems (Manual Orders, etc.).

STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF AUGUST 1, 1972	NEXT STEPS
I. <u>Bureau for Population and Humanitarian Assistance</u>			
A. Develop organization and staffing plans; statements of functions, delegations of authority, revised operating procedures, and other action documents needed to make operational the new Bureau which will include present O/PRI and a central Office of Population.	AA/PPIA in collaboration with AA/SIR and in consultation with Regional Bureaus, CO/SA, TAB, FF 2, O/PRI and GC.	All Phase I - II implementing actions have been completed. Implementation of Phase III is almost complete.	Submission of optimal staffing pattern for PPIA/POP and PPIA/PVC to AA/SIR and DA/AID for review and approval will occur shortly.
B. Strengthen A. I. D.'s disaster relief capability by providing higher level policy direction, better coordination of public and private responses to requirements, and increased competence in effectively coordinating U. S. activities through the United Nations.	AA/PPIA and Disaster Relief Coordinator, in consultation with PDC.	The action plan for strengthening A. I. D.'s disaster relief capabilities was reviewed by DA/AID and four key recommendations were approved for implementation on April 11, 1972. Implementation has been largely completed. Approval by AA/SIR of the new PPIA/FDRC reorganization proposal will complete one of the two remaining actions. FDRC is seeking to obtain additional space for satisfactory implementation of the disaster relief operations center.	Continuous efforts are being made to increase the effectiveness of A. I. D.'s disaster communication and coordination activities with other executive branches of the government and private relief organizations.
C. and D. Formulate an improved plan of support to help voluntary agencies plan development-oriented programs in collaboration with developing country objectives and institutions.	AA/PPIA.	The Administrator's Advisory Council reviewed and accepted a PPIA action plan - intended to cover both assignments I. C. and I. D. - on July 7, 1972. To implement the recommendations in the plan, all regional bureaus have designated liaison officers to help PVC explore enlarged or new opportunities for involving private, voluntary and	Continuous efforts are being made to further involve the private and voluntary organizations in A. I. D. development and humanitarian programs.
Develop proposals to reinforce the humanitarian efforts of the United States, both public and private, through improved coordination and			

(Continued)

1. (continued)

working relations with the varied and numerous voluntary non-profit organizations.

cooperative organizations in A. I. D. development programs. Informal discussions with the private and voluntary agencies will lead to a systematic examination of FY 73-FY 74 A. I. D. programs to identify opportunities for the engagement of private and voluntary organizations.

A reorganization proposal for the Office of Private and Voluntary Cooperation has been forwarded to AAS/SEA. PHA's proposal includes a reorganization of the office and a modest staff augmentation. The objective is to reorganize the office with the purpose of making the entire staff resources of the office available to serve flexibly as a support element on behalf of augmented A. I. D. interactions with private and voluntary organizations.

Briefing-dialogue sessions between A. I. D. and the private and voluntary agencies have stimulated thinking on means of improving coordination and working relations. Joint AID/private and voluntary agencies meetings have been held in Washington, New York and Santa Barbara. Many of the private and voluntary organizations expressed interest in A. I. D.'s

(Continued)

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STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF AUGUST 1, 1972	NEXT STEPS
1. (continued)			
E. Develop proposals for strengthening relationships of population programs to other development programs, in collaboration with LDCs.	AA/PMA with Regional Bureaus, TAB, and PPC.	continued use of such meetings for exchange of information on opportunities in humanitarian assistance, as well as development assistance. In addition, consultation is being carried on continuously with the American Council on Voluntary Foreign Aid, the Advisory Committee on Voluntary Foreign Aid, as well as a number of private and voluntary agencies themselves, regarding the PVC organization and the resultant working relationships.	Follow up on the approval process to ease its effective implementation and adjust as needed. Exploit those opportunities for integration of programs which are identified in the Population Program Reviews.
		The establishment of a Population Policy, Program, and Project Review Process and the creation of Geographic Area Divisions (which relate to the Regional Bureaus) within the Office of Population should result in a system of maximum program coordination and integration.	
		Population Program Reviews are presently under way and are being utilized to identify opportunities to more closely relate population programs to other development activities.	

STATUS OF A.I.D. REFORM IMPLEMENTATION

ASSIGNMENT

ACTION OFFICE

STATUS AS OF AUGUST 1, 1972

NEXT STEP

II. Regional Bureaus for Asia, Africa, and Latin America

A. Redirect program planning and implementation in sectoral terms, related to broad, regional areas.

AA/PPC with Regional Assistant Administrators, AA/TA and AA/PHA.

Circular Airgram AIDIO A-543, dated 4/15/72, provided basic FY 74 program guidance and articulated new Agency policies with respect to sectoral planning and implementation. It described three different documents to be submitted by the field:

A review of the documents submitted and follow-up guidance containing more specific information.

- a Development Assistance Program (DAP) for each country or sub-region, to be submitted when ready (no deadline given; expected that DAPs will be arriving over the next 12 months).
- a paper describing the steps necessary to convert to the new program emphasis and the time frame involved (DAP outline), to be submitted by each mission no later than June 30, 1972.
- a FY 1974 Field Budget Submission (FBS), due from each mission no later than July 31, 1972.

Program and Budget Review memorandum distributed July 19. This outlined various review processes to take place in AID/W this summer and the criteria for their review.

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STATUS OF A.I.D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF AUGUST 1, 1972	NEXT STEPS
<p><u>II. Regional Bureaus for Asia, Africa, and Latin America</u></p> <p>B. and D. Examine the need for Regional Bureau reorganization to assure that program, loan, and technical staff integrate effectively in the new sector context; develop revised organization and staffing plans, statements of function, revised operating procedures, and other action documents as necessary, to reflect:</p> <ul style="list-style-type: none"> -- changes required by the centralization of management, program support, and population functions; -- the future primary focus of the Regional Bureaus on sector analysis; refinement of sector strategies and project design; oversight and monitoring; maintaining country expertise; representation in country, regional, and consultative organizations; and supervision of Agency field offices. 	<p><u>I. Bureau for Asia</u></p> <p>AA/ASIA, in collaboration with AA/SER, and in consultation with AA/TA, regarding arrangements for sector analysis, refinement of strategies and project design.</p>	<p>Phase I report approved by DA/AID on June 2, 1972. Phase II paper approved by DA/AID on July 28, 1972.</p> <p>Major internal organizational changes include 1) the consolidation of the NESA and East Asia Capital Development offices in ASIA/CD; 2) the restructuring of ASIA/TECH to include a new Sector and Project Planning Staff and a Project Support Division; 3) elimination of the Management Office and creation of an Executive Management Staff; 4) the transfer of the Pakistan desk from the Office of South Asian Affairs to the Office of Near Eastern Affairs (as announced in the A. I. D. General Notice of July 1); and 5) establishment of a Bangladesh country desk in the Office of South Asian Affairs.</p> <p>Phase III under way but awaiting space plan and program support centralization.</p>	<p>Completion of Phase III actions, including revised functional statements, organization codes, allotment patterns, operating procedures, reporting patterns and mass transfer of staff.</p> <p>Phase III completion target is September 15, 1972.</p>

STATUS OF A.I. REFORM IMPLEMENTATION

ACTION ASSIGNMENT

ACTION OFFICE

STATUS AS OF AUGUST 1, 1972

NEXT STEPS

1. Regional Bureaus for Asia, Africa, and Latin America (continued)

2. Bureau for Latin America

AA/LA in collaboration with AA/SER, and in consultation with AA/TA, regarding arrangements for sector analysis, refinement of sector strategies and project design.

Phase II plan approved by DA/AID on July 15, 1972.

Significant organizational changes include: 1) integration of loan and technical staffs in a reorganized Office of Development Resources responsible for project planning, design, and implementation monitoring; 2) creation of a new Office for Multilateral Coordination and Regional Social Programs; 3) reorganization of the Office of Development Programs to strengthen programming, budgeting, and evaluation; and 4) establishment of an Assistant Administrator's Advisory Council to provide central program review and guidance.

Phase III actions are under way, but actual transfer of staff must await completion of space planning and centralization of program support staff.

Completion of Phase III actions, including revised functional statements, organization codes, allotment patterns, operating procedures, reporting patterns and mass transfer of staff. Phase III completion target is September 15, 1972.

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STATUS OF A.I.D. REFORM IMPLEMENTATION

<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF AUGUST 1, 1972</u>	<u>NEXT STEPS</u>
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II. Regional Bureaus for Asia, Africa, and Latin America (continued)

3. Bureau for Africa

AA/AFR, in collaboration with AA/SEN, and in consultation with AA/TA, regarding arrangements for sector analysis, refinement of sector strategies, and project design.

A combined Phase I-II report was approved by DA/AID on July 7, 1972.

The major organizational changes: (a) combine the capital and technical assistance offices into one unit which will focus on problem/sector analysis, project design and research and be free of all implementation responsibilities; and (b) expand the responsibilities of two regional field capital development offices to include all assistance instruments-- capital, technical and PL 480 assistance. Responsibility for implementation will rest with field missions and offices, and the geographic desks.

Phase III actions are under way, but actual transfer of staff must await completion of space planning and centralization of program support staff.

Completion of Phase III actions, including revised functional statements, organization codes, assignment patterns, operating procedures, reporting patterns, and mass transfer of staff. Phase III completion target is September 15, 1972.

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STATUS OF A.I.D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT

ACTION OFFICE

STATUS AS OF AUGUST 1, 1972

NEXT STEPS

III. Bureau for Asia

Develop organization and staffing plans, statements of functions, re-delegations of authority, revised operating procedures, and other action documents needed for the new Bureau, which will include O/EAD, NESA, and support functions in CO/SA related to EA development programs.

AA, ASIA in collaboration with AA/SER, CO/SA, and the Director O/EAD; and in consultation with GC.

All Phase I - II - III implementation actions to consolidate the former NESA and O/EAD staffs in the Bureau for Asia were completed on April 15.

None required.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF AUGUST 1, 1972	NEXT STEPS
IV: <u>Bureau for Supporting Assistance</u>			
A. Accelerate consideration of program approaches to enhance reconstruction and economic self-reliance in SEA.	CO/SA with PPC.	CO/SA has developed preliminary Long-Range Planning Papers (LRPP) for each major SA recipient country (Viet-Nam, Cambodia, Laos, Thailand, Jordan, Israel, and the East Asia Regional Program), completed internal SA Bureau review and distributed the revised final drafts to PPC, S/T and the State Country Desks for their review and comment. Comments have been received, and differences worked out with PPC, S/T and State Country Desks on the draft LRPP prepared for each country. A final version of each LRPP has been prepared and is with the Acting CO/SA for review.	After final CO/SA approval, the various LRPPs will be sent to AA/PPC and DA/AID for review prior to SA Bureau presentation to the AAC on 15 August.
B. Complete the internal reorganization of the SA Bureau by developing organization* and staffing plans, revised delegations of authority, statements of function, and taking other actions necessary to amalgamate the functions and staff of the SA Bureau.	CO/SA with AA/SER, AA/ASIA, and GC.	Implementation of Phase III actions, with the exception of final space relocations, was essentially completed on July 26.	None required.

STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF AUG. 1, 1972	NEXT STEPS
<u>V. Technical Assistance Bureau</u>			
<p>A. Provide Agency-wide professional leadership in research, program development, and technical assistance policy.</p>	<p>AA/TA in consultation with PPC, PHA, and Regional Bureaus.</p>	<p>Completed. Approval of a "terms of reference" paper for this assignment, together with actions taken on V. B. and C., and completion of the Deputy Administrator's assignment to AA/PPC and AA/TA to define working relationships with the Regional Bureaus complete the implementation of V. A.</p>	<p>No further action contemplated, except as affected in related actions B. and C. below.</p>
<p>B. Articulate technical assistance policy and strategies for the coordinated use of A. I. D.'s resources in research, institutional grants, and pilot programs in innovative approaches to the solution of critically key problems of development.</p>	<p>AA/TA in consultation with PPC, PHA, and Regional Bureaus.</p>	<p>The Terms of Reference paper, which is also the action plan, for work on global sector statements has been submitted with the research package (V. C.). The science and technology global sector statement is now before the AAC.</p>	<p>A Global Sector Statement for Urban Development will be submitted to the AAC in late September. Statements for Agriculture Nutrition, Education and Health will be submitted before the end of CY 1972.</p>
<p>C. Devote a much greater share of A. I. D.'s talents, effort, and finances to help find answers to the critical development problems and to strengthen A. I. D.'s role as an innovator in development through (a) articulation of a comprehensive research philosophy; (b) encouraging increased efforts by U.S. public and private research institutions on critical problems of developing countries; (c) an increase in A. I. D.'s research effort, particularly in applied research</p>	<p>AA/TA in consultation with PPC, PHA, and Regional Bureaus.</p>	<p>Following AAC discussion and a reworking by the AAC panel, a research guidance paper was distributed by DA/AID on July 14. Comments from the Assistant Administrators are currently being received.</p>	<p>Issuance by DA/AID of the research guidance paper. Further action will be represented by A. I. D. implementation of that paper.</p>
(Continued)			

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF AUG. 1, 1972</u>	<u>NEXT STEPS</u>
(Continued) and new forms of institution building; (d) more emphasis on strengthening LDC capacity in research institutions and personnel; (e) encouraging selected international research institutions linked to institutions in LDCs; (f) more systematic evaluation of A. I. D. research results to get better returns in terms of utilization in LDCs.			

STATUS OF A.I.D. REFORM IMPLEMENTATION

Action Assignment	Action Office	Status as of August 1	Next Steps
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VI. Bureau for Program and Management Services

A. Develop organization and Staffing plans, delegation of authority statements of functions, revised operating procedures, and take other actions needed to make operational the new Bureau.

AA/SER with CO/SA Regional Bureaus, other offices, and GC

1. Engineering

A Phase II paper on the centralization of Engineering functions in the Bureau for Program and Management Services was approved by DA/AID on June 19, 1972. Additionally, a new functional statement and a flow chart on engineering roles/relationships have been completed. A Phase III completion report has been submitted to DA/AID.

Complete physical moves.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

<u>Action Assignment</u>	<u>Action Office</u>	<u>Status as of August 1</u>	<u>Next steps</u>
<u>Bureau for Program and Management Services</u>	AA/SER with CC/SA, Regional Bureaus, other offices and GC.		
2. <u>Contract Management</u>		<p>A Phase II paper on the centralized plan for the new Office of Contract Management (SER/CM) was approved by DA/AID on August 1. It provides the functional statement, organizational structure and staffing pattern for SER/CM. The centralized Office of Contract Management consolidates, under a single direction, the contracting and PASA functions and staff of the Regional Bureaus and offices.</p> <p>GC has begun identifying delegations of authority on contracting/grant, PASA, and excess property for revision. The new delegations will be issued during the Phase III implementation.</p>	<p>Preparation of a Phase II 'package' for DA/AID approval.</p>

STATUS OF A. I. D. REFORM IMPLEMENTATION

Action Assignment	Action Office	Status as of August 1	Next Steps
<u>Bureau for Program and Management Services</u>			
5. <u>Commodity Management</u>		<p>A Phase II paper on the centralized plan for the new office of Commodity Management (SER/COM) was approved by the DA/AID on August 3, 1972. The new office will provide Agency procurement services, including those formerly performed by the SA Bureau.</p>	<p>Preparation of a Phase III "package" for DA/AID approval.</p>

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STATUS OF A.I.D. REFORM IMPLEMENTATION

<u>Action Assignment</u>	<u>Action Office:</u>	<u>Status as of August 1</u>	<u>Next Steps</u>
4. <u>International Training</u>		A Phase II paper reflecting organization and staffing changes was approved by DA/AID on July 7, 1972. The mass personnel changes required as a result of the reorganization have been completed and a draft functional statement has been submitted to SER/MP for clearance.	A Phase III completion memorandum will be submitted for DA/AID approval during the week of August 6, 1972.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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Action Assignment

Action Office

Status as of August 1

Next Steps

Bureau for Program and
Management Services

5. Management and Personnel
Support Services

A combined Management Support and Personnel Phase II paper was approved by DA/AID on July 12, 1972. Organizational, procedural and staffing changes have been made. Centralization plans were combined in this presentation due to the current integration of personnel, management, financial, and administrative tasks in individual positions. The plans were developed in consultation with the 21 bureaus and offices that had self-support capabilities and represent the manner in which management support services will be provided in the future.

The Agency's effective date for mass transfer of personnel from the 21 bureaus and offices to the management services offices was July 23, 1972. This action directly affected over 1,000 AID/W employees whose jobs or organizational setting was altered. It especially affected about 150 people who were actually transferred to central SER Bureau offices.

With approval of the Phase II plans, the STR Bureau has begun to implement Phase III actions. The official transfer of employees and positions has taken place. However, necessary physical moves will take place on a time-phased basis. Preparation of a Phase III memorandum to DA/AID.

STATUS OF A.I.D. REFORM IMPLEMENTATION

<u>Action Assignment</u>	<u>Action Office</u>	<u>Status as of August 1</u>	<u>Next Steps</u>
<u>Bureau for Program and Management Services (Continued)</u>			
<u>5. Management Support Services</u>		<p>SER/MC has developed a structure which stresses field support and provides a single point of contact within the Agency to respond to all administrative management requirements both for AID/W and the overseas missions.</p> <p>SER/EM, formed from the Office of the Controller, developed an organization to separate internal control from client service functions. The new client-oriented divisions will act on the full range of financial management questions concerning the bureaus and offices. SER/EM is also responsible for the statistical and reports functions previously assigned to PPC.</p> <p>SER/DM, formed from the Office of Data Systems, reorganized to enable better client service in the automated data processing area, as well as to strengthen the records and directives management functions. SER/DM is also responsible for the AID Reference Center.</p>	

STATUS OF A.I. REFORM IMPLEMENTATIONAction Assignment:Action OfficeStatus as of August 1Next StepsBureau for Program and
Management Services (Continued)5. Management Support Services:

SER/MP has reorganized to provide the full range of management consulting services directly to client bureaus and offices, as well as manpower, organization and management improvement program support. SER/MP is also responsible for Agency systems coordination functions previously assigned to SER/DS and PPC.

SER/PM plans to retain its basic current organization for the period immediately following centralization, but has named personnel representatives who are responsible for providing the full range of personnel services to client bureaus and offices. After more experience is gained during Phase III, a specific reorganization designed to better integrate current program elements will be formally submitted for approval.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT	ACTION OFFICE	STATUS AS OF AUGUST 1	NEXT STEPS
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VI. Bureau for Program and Management Services (cont'd)

B. Responsiveness Mechanisms
 Develop new mechanisms to meet the concern of the Regional Bureaus and Offices for responsiveness and adequacy of service from centralized offices in AA/SER, e.g.,

- arrangements to meet Bureau's requirements for both in-house management support capability and specialist capability (e.g., engineering, commodity procurement, and contracting).
- procedures to assure Bureau's participation in the evaluation of the quality and timeliness of the service performance of the heads of the central program support offices.

AA/SER with full participation of the serviced Bureaus and Offices.

The development of such mechanisms is an inherent part of the task of centralization for each SER functional area described above. The detailed procedural development work was developed by the SER offices for the Asia Bureau pilot study and subsequently modified to meet Agency needs as part of the Phase II paper, approved by DA/AID on July 12, 1972.

We will forward to DA/AID no more extensive documentation concerning these mechanisms after completion of all Phase III actions on the SER reorganization.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

Action Assignment

Action Office

Status as of August 1

Next Steps

11. Bureau for Program and Management Services (Cont.)

C. Personnel Reduction Plans
Develop detailed plans for achieving the orderly reduction of American staff.

AA/SER

The Administrator's Reform Plan called for a reduction of up to 20-25% of American staff, over time.

Additional reductions in foreign national levels are also expected as support requirements are reduced or these services are obtained from other sources.

The policy of achieving this reduction through attrition and retirement, as programs are reorganized and procedures streamlined is clearly established. Lower levels are still being achieved through a virtual freeze on new hire--with exceptions limited to lower graded clerical positions, where need continues and turnover is high.

In June of 1971, the Agency employment stood at 13,477, including 6,513 U.S. and 6,964 foreign nationals. As of June of this year, there were 5,792 U.S. and 5,927 foreign nationals, or a reduction of 1,758 in total Agency employment during the past year.

The Agency must now project trends and minimum essential levels for FY 73 and FY 74. This is being done as a part of both the reorganization and FY 74 program planning processes.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

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Action Assignment	Action Office	Status as of August 1	Next Step
VI. <u>Bureau for Program and Management Services (Con't.)</u>			
D. <u>Directives Improvement</u>			
Develop a comprehensive plan for replacing the present Manual Order system with a new series of Policy Determinations by the Administrator, together with specialized Handbooks on supporting operations.	AA/SER in consultation with EXSEC and GC.	SER has established a Directives Improvement Group with wide representation from offices and staffs throughout the Agency. The Group has defined three categories of directives material -- policy determinations, operating principles, and procedures-- and has drafted an Action Plan which was approved by DA/AID on June 1, 1972. The Plan: (1) Establishes a Directives Conversion Staff to manage and coordinate the conversion program; (2) Establishes a Directives Review Committee to provide program and policy guidance for the program; (3) Assigns responsibility for conversion by functional area; (4) Designates office Directives Coordinators and (5) Develops a work plan for each office in order to appropriately complete assigned duties.	Pending actions call for: (1) Completing the Policy Handbook; (2) Holding problem-solving meetings with the Offices to assist in reviewing directives material; (3) DA/AID approval of Policy Handbook outline; (4) Developing a detailed workplan; (5) Reviewing in detail all workplans and coordinating with interested offices; and (6) Approval by the Directors Committee of all workplans.

Action Assignment

Action Office

Status as of August 1

Next Steps

11. Conversion Program and
Policy Handbook Series (Cont.)

Policy Handbook Series

Develop a comprehensive plan for replacing the present Manual Order system with a new series of Policy Determinations by the Administrator, together with specialized Handbooks supporting operations.

AA/SER in consultation with ENSEC and GC.

SER has established a Directives Improvement Group with wide representation from offices and staffs throughout the Agency. The Group has defined three categories of directives material--policy determinations, operating principles, and practice rules-- and has drafted an Action Plan which was approved by DA/AID on June 1, 1972

The Plan:

- (1) Establishes a Directives Conversion Staff to manage and coordinate the conversion program;
- (2) Establishes a Directives Review Committee to provide program and policy guidance for the program;
- (3) Assigns responsibility for conversion by functional area;
- (4) Designates office Directives Coordinators and
- (5) Develops a work plan for each office in order to appropriately complete assigned duties.

Pending actions call for:

- (1) Completing the Policy Handbook;
- (2) Holding problem-solving meetings with the Offices to assist in reviewing directives material;
- (3) DA/AID approval of Policy Handbook outline;
- (4) Developing a detailed workplan;
- (5) Reviewing in detail all workplans and coordinating with interested offices; and
- (6) Approval by the Directors Committee of all workplans.

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STATUS OF A.I.D. REFORM IMPLEMENTATION

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ACTION ASSIGNMENT

ACTION OFFICE

STATUS AS OF AUGUST 1

NEXT STEPS

VI. Bureau for Program and Management Services (cont'd)

E. Committees Utilization

Review the Agency's use of and need for public advisory committees, inter-agency committees, and internal A. I. D. committees.

AA/SEK in collaboration with Bureaus and Offices providing support to or participating in such committees.

Inventory of all advisory, inter-agency, and intra-agency committees is completed. Sponsoring offices of inter-agency and advisory committees are requested to submit data for preparation of annual Committee Management report due to OMB on 1, September.

Preparation of tentative guidelines for the establishment, maintenance, monitoring, evaluation, termination of committees as required in OMB Circular A-63 pertains to Committee Management.

STATUS OF A.I.D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT

ACTION OFFICE

STATUS AS OF AUGUST 1

NEXT STEPS

1. Bureau for Program and Management Services (BPM)

F. Field Support Arrangements

Continue efforts to increase overseas contractor self-support, and to streamline or reduce support levels to direct-hire and PASA staff.

AA/SER

Separate earlier efforts to (a) increase contractor and PASA self-support, and (b) streamline field logistic support to all A.I.D.-financed personnel overseas are being continued under one comprehensive action program. Responsibility for this program has been assigned to the newly established Office of Management Operations in AA/SER.

SER/MO has sent circular airmail to all posts requesting detailed information on total support arrangements. Most countries have responded, Africa due date is extended to not later than August 15. Initial analysis and review is underway on responses.

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STATUS OF A. I. D. REFORM IMPLEMENTATION

Action Assignment	Action Office	Status as of August 1	Next Steps
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Bureau for Program and Management Services

G. Procurement Procedures
 Continue efforts to simplify A. I. D. procurement procedures.

AA/PPC and AA/SER Procurement Working Group.

Materials have been printed and distributed which, under the new "Colombia Plan," substitute importer listings for the former transaction-by-transaction advertisement procedure.

A revision of the documentation procedure used for sales agents in Vietnam and Cambodia--to bring it in line with A. I. D. procedures elsewhere, and to eliminate A. I. D. Form 283--has been completed and is pending final clearance

A C C ruling is pending on the general applicability of U. S. statutory restrictions to procurement of goods or services with local currency, obtained by client purchase with A. I. D. Appropriated dollars

GC will shortly publish a revision of Regulation 1, to incorporate the procedures of the "Colombia Plan" and to further simplify the language of Regulation 1.

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VII. Bureau for Program and Policy Coordination

A. Develop organization and staffing plans, delegations of authority (as necessary), statements of function, revised operating procedures and other actions as needed to:

1. Effect the transfer of the functions and staff in the Office of the Controller concerned with budgeting, to the Bureau for Program and Policy Coordination (PPC).

2. Effect the transfer of the functions and staff of the Office of Program Evaluation to PPC.

AA/PPC in collaboration with AA/SER, and in consultation with GC.

1. Phase II paper approved by DA/AID on May 23 consolidated Agency-level budgeting functions of the offices of the Controller (SER) and Resources and Systems (PPC), in a new Office of Resources and Budget. SER/CONT retains functions related to funds control and initial preparation of overhead/administrative budgets.

C/BUD staff mass transferred and located in temporary space in New State prior to final arrangement of contiguous space in PPC/RB.

2. Combined Phase I-II paper approved by DA/AID on May 23 transferred Program Evaluation staff and functions to PPC.

Finish new job descriptions.
Publish functional statements.

Provision of contiguous space in PPC from location of their present office.

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STATUS OF A.I.D. REFORM IMPLEMENTATION

<u>ACTION ASSIGNMENT</u>	<u>ACTION OFFICE</u>	<u>STATUS AS OF AUGUST 1, 1972</u>	<u>NEXT STEPS</u>
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VII. Bureau for Program and Policy Coordination (continued)

3. Establish a technical assistance staff in PPC to provide a central point for processing Agency projects to assure consistency with policy and sector objectives and serve as Secretariat to the Project Approval Committee for central project review and approval.

3. Phase I paper approved by DA/AID on June 30. A Phase II paper is being coordinated and should be forwarded for DA/AID approval by August 15.

After approval of Phase II, staffing of new positions and office space.

4. Strengthen the capability of the Office of Policy Development and Analysis in PPC.

4. Phase I paper approved by DA/AID on June 2.

Upon approval, staff new positions and provide office space.

Office being restructured so as to provide the Agency: (a) information and guidance on development trends and theories; and (b) the in-depth analysis of development and related issues requisite to the formulation of AID's position on major policy questions.

Phase II paper forwarded for DA/AID signature on July 31.

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STATUS OF A.I.D. REVISION IMPLEMENTATION

ACTION ASSIGNMENT

ACTION OFFICE

STATUS AS OF AUGUST 1, 1972

NEXT STEPS

1. Bureau for Program and Policy
Coordination (continued)

5. Strengthen the capability of the
Office of International Assistance
Coordination in PPC.

Phase I paper approved by DA/AID
on July 5 proposed restructuring
the office to include PPC's co-
ordination responsibilities with
international financial institutions
and other bilateral donors and
expanded PPC responsibilities
vis-a-vis the UN agencies. Phase II
paper being prepared even though
AID's relationship to State's Bureau
for International Organizations on
development affairs is unresolved.

Obtain DA/AID approval
of Phase II paper.

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ACTION ASSIGNMENT

VII. B. Develop detailed guidance for the Project Approval Committee's review of loan, grant, P. L. 480, and housing investment guaranty proposals.

C. Articulate new program policy; focus on basic human needs; concentrate programs; integrate capital, technical assistance, and other resources within sector strategies; seek longer term approaches to major human problems within limits of Congressional appropriation policies and procedures (e.g. multi-year funding).

D. Development of guidance for adoption throughout A. I. D. of new assistance style, including collaborative relationship with LDCs, new A. I. D. role, and new techniques to expand U.S. private participation and encourage more direct professional collaboration between LDCs and American institutions (e.g., "block grants" and grants to U.S. non-profit organizations).

STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION OFFICE

AA/PPC (as Secretary of the Project Approval Committee).

AA/PPC with TAI, PHA and Regional Bureaus.

AA/PPC in consultation with TAB, PHA, and the Regional Bureaus.

STATUS AS OF AUGUST 1, 1972

Draft operational guidance for PAC was distributed in May. Several issues have been selected for PAC review in the future.

FY 74 guidance distributed in April. Criteria for program and budget reviews distributed in July.

This will be effected by work done in response to other action assignments, e.g. guidance re. minimum statutory/contractual requirements has been provided by the Report of the Working Group on Instruments for Increased Use of Governmental Organizations issued on June 2, 1972. (See VII.E. below.)

NEXT STEPS

Discussion of selected issues by PAC with DA/AID approval.

By November 1972 distribute comments on DAP outlines to the field.

Follow-up guidance containing more specific information will be forthcoming. (PPC will have a better fix on this after reviewing Field Submission outlines, which should be completed in December.)

STATUS OF A. I. D. REFORM IMPLEMENTATION

ACTION ASSIGNMENT

ACTION OFFICE

STATUS AS OF AUGUST 1, 1972

NEXT STEPS

MH. E. Continue efforts to review and develop guidance and criteria for the use of major aid assistance instruments (grants, direct-A. I. D. contracts, and third-party contracts).

K. Levick, TAB, with the Working Group on the Use of Non-Governmental Organizations.

Overall report submitted on June 2, 1972; scheduled for August 16 review by Administrator's Advisory Council.

Depends on Council's review.

F. Devise an integrated system for planning, budgeting, accounting, and reporting which will focus on shifting from a country to a sector emphasis.

AA/PPC with AA/SER and other Bureaus, drawing on the work of the Financial Management Task Force.

A Working Group has been formed to develop an integrated system for planning, budgeting, accounting, and reporting. Sub-groups are currently documenting the requirements of the new system. Overall work plan has been approved by DA/AID.

The target date for an operational integrated system is the end of FY 1973.

1/9/71