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ASSESSMENT OF THE OFFICE OF FOREIGN DISASTER ASSISTANCE

**A Report for the Deputy Administrator,
Agency for International Development**

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INTRODUCTION

A strong and favorable consensus on OFDA emerged from the discussions which members of the OFDA Management Assessment Team held with the offices and bureaus of AID/W, the Department of State and OMB. The three most common descriptions of OFDA were "cooperative, supportive, responsive." Without exception, the individuals interviewed held OFDA staff in high professional regard and assured the Assessment Team that when disaster strikes, "we have OFDA and can depend on it." Particular emphasis was placed on OFDA's having (1) flexibility in funding, (2) extensive experience, and (3) ready access to outside expertise as the situation required.

The focus of OFDA's reputation for dependability rests on its record in responding to rapid onset disasters. But this capability also generates some criticism, all of which stems from OFDA's special authorities -- those things that distinguish its operations from the remainder of the Agency. Quite naturally, these differences are noted by those offices from which OFDA gets support, namely, SER/OP/W (contracting) and PPC (budgeting and information flows). Interfacing among offices following different practices is bound to cause difficulties. It cannot be totally eliminated, but steps should be taken to minimize it.

A related item is a curious funds acquisition authority by which OFDA, through transfers from other accounts euphemistically called "borrowing," avails itself of additional funds when its own budget is exhausted. And it is all possible under extant legislation. This is a matter of concern for those whose funds are borrowed, especially the Africa Bureau. Another question which emerged is the appropriateness of some of the office's preparedness activities, as opposed to its direct disaster relief. The Assessment Team reviewed preparedness activities from the standpoint of OFDA's programming procedures -- essentially its underlying preparedness strategy and the means by which projects are selected and reviewed.

A summary judgment of the Assessment Team is that OFDA measures up to the very good offices of AID/W. It is in a preferred position compared to some AID offices insofar as its goals and objectives have almost unparalleled support throughout the government and among the American people. The recommendations included in this assessment do not point to a major overhaul or administrative relocation of OFDA. Nor do we suggest that AID encounters basic programming, management or budgetary problems in its disaster relief activities. Many of the recommendations are directed toward cutting down on OFDA's work load while still allowing it to achieve its purpose. Our recommendations should be viewed as fine tuning -- observations and conceptualizations that will assist the Director of OFDA and

the remainder of the senior management of AID in determining where changes are worth the organizational costs that are usually involved in adjusting an office's operations.

In this regard AID should carefully heed any reservations the OFDA Director might express about our recommendations. In our judgment, OFDA can afford to adopt our recommendations without detracting from its basic functions. In fact, we would like to think that by accepting some of these practices OFDA would be strengthened. It is our impression that all of the things we suggest have either been done by OFDA intermittently in the past or are being considered by it now. Our position is that many of these ideas, already promoted by OFDA, should be established as regular procedures and practices in the implementation of disaster assistance.

RECOMMENDATIONS AND FINDINGS

I. Program Discipline

1. OFDA should reassess the criteria which provide guidelines for Ambassadors in declaring disasters. A redefinition of this authority is possibly required to determine when small events of limited consequence qualify for disaster relief. New ground rules are only needed to determine when the use of the Ambassador's designated authority warrants OFDA involvement; i.e., action that goes beyond \$25,000 spending authority or the capability of an embassy and the AID mission to carry out.

2. Efforts should be made by AID to disseminate throughout the executive branch and Congress information regarding the extent to which the U.S. Government, through OFDA and Title II, becomes involved in foreign disaster relief. (Total obligations in FY1987 were \$265 million.) The purpose of this initiative is to instill discipline into those in positions of influence who call for disaster assistance on almost a routine basis. If OFDA experienced less pressure, it might be able to meet the American people's impulse for humanitarian assistance in a somewhat more measured and less costly fashion. Through a variety of funding devices, humanitarian assistance has become one of the U.S. Government's few virtually unbudgeted activities.

3. From its experience, OFDA should develop more specific guidelines for officers as to when emergency expenditure of appropriated funds is defensible. A general sharpening of the Office's programming judgment and a tightening of its procedures is required in this respect.

4. OFDA should adopt three devices to help rationalize its programming procedures:

-- A Disaster Relief Strategy Statement. OFDA could

benefit from the process of preparing such a statement. Having reviewed its program itself, thought about its preparedness functions and questioned all of its operational procedures, it would be a stronger organization.

- A closer observance on relief activities of the 60 and 90 day limitations to which OFDA is restricted by Handbook 8,
- A formal phasing of disasters (Phases I and II) which requires a review with written findings for the Administrator before OFDA proceeds to Phase II; i.e., spends beyond a certain level.

II. The Preparedness Issue

1. OFDA requires a major reconceptualization of its preparedness activities. OFDA is structured for and good at rapid response. Features of the office's activities, particularly in preparedness, that are not consistent with this mode should be de-emphasized or reassigned to those working outside the Washington setting. Preparedness should be "operationalized" or "field-driven." It should be principally directed to that which is clearly supportive of OFDA and mission activities during disasters.
2. OFDA should assemble (possibly at a retreat) the six or eight most respected people in this country with operational experience in foreign disasters and ask what pre-disaster mitigation or preparedness measures would have made their jobs and the U.S. response better and more efficient. On this advice the preparedness program can be redesigned.
3. OFDA should carefully examine its support of scientific research, and focus its limited preparedness funds only on those projects that will improve response. This would call for lower priority on hypothetical means that might appear to have a scientific basis but which relate poorly to host government capabilities or field operations.
4. OFDA should carefully review its relations with and expenditures through USGS, the Forestry Service and various volunteer organization and determine where these relationships have provided clear assistance in actual disasters. The list of associates in disaster relief supported by OFDA should be vetted on the basis of this finding -- once again to assure that preparedness has an operational flavor.
5. Exceedingly small preparedness projects supported through grants should be scrutinized, and unless valuable in immediate

and operational terms, they should be terminated.

6. Training is diffuse and fragmented. A goal oriented training plan consistent with a Disaster Relief Strategy Statement should be adopted. Targets of opportunity should be set aside.

7. OFDA should adopt a formal field structure and process that "institutionalizes" operational preparedness. It should consist of:

- a) A certifying system for Mission Disaster Response Officers (MDROs) which entails two weeks orientation with OFDA to make MDROs "disaster conscious" and to familiarize them with OFDA operations and capabilities.
- b) Regional Disaster Response Officers who perform in other regions the same functions as the group in Costa Rica. These Officers will identify disaster response resources (and people) in disaster prone countries and assist in coordinating and developing local response capabilities. At the time of a disaster, the regional officers will assist the MDRO in making the first assessment of damage and propose a possible response. In Africa these individuals should be attached to the REDSOs.
- c) Disaster "Gurus" -- four or five of the country's best operational people (OFDA now has one) who as consultants would be called upon at the time of disaster to organize major relief operations based upon the assessments of the Regional Disaster Response Officers.

8. The Assessment Team recommends that until a strategy is in place to serve as a justification for expenditures on preparedness, OFDA be required to set and hold by a modest figure for preparedness, possibly \$4.0 million. The Team also recommends that no activity which heretofore has been funded as preparedness be allowed to appear on the relief side of the budget.

III. Geographic Bureau Initiatives

1. Geographic bureaus and their missions should assume responsibility for certain slow-onset, long-term disasters that are predictable. Mitigation and response in these cases are so necessary and regularized that they become part of the developmental process and therefore should be part of a mission's program.

2. The response to lengthy disasters (drought, locust infestation, civil strife) should be managed by the bureaus and

missions as DA funded projects having preparedness and planning features. This would require cooperation and possibly institutional development with the host government.

3. In preparing to assume these responsibilities, the geographic bureaus should prepare strategy statements appropriate for the disasters to which their respective regions are usually exposed. These statements should be complimentary to the Disaster Relief Strategy Statement to be formulated by OFDA.

4. In some cases, the emergency spending authority of the Administrator, as the President's Special Coordinator for International Assistance, should be delegated to the assistant administrators of regional bureaus directly, rather than have all funds dispensed through the Director of OFDA.

5. Borrowing from regional accounts to finance disaster relief beyond the OFDA budget should be discontinued. A new Presidential revolving fund for foreign disaster relief (perhaps \$50 million) should be established with "no year" money. It should be replenished by Congress after a specified draw-down.

6. For activities requiring a response across two or more AID bureaus, task forces should be established, staffed by, and remain jointly responsible to the participating bureaus.

7. In slow onset long term disasters, OFDA should perform more of a support function rather than assuming the initiating role.

IV. Contracting Issues

1. Current contracting arrangements by which SER/OP provides backstopping for OFDA's emergency authority and performs regular support on other contracting functions are adequate. The SER/OP involvement constitutes a useful review of OFDA's contracts and procedures. Contracting authority should remain in SER/OP.

2. There is possibly too extensive a use of OFDA's emergency authority in making contractual commitments in cases where more planning and a forward looking view would allow for the use of normal government procedures in contracting. There is a need for OFDA to develop more appreciation of AID programming and procurement procedures as they apply to non-emergency type contracting such as stockpile surveillance and preparedness.

3. OFDA should take greater care in determining when grants, as opposed to contracts, are appropriate.

4. OFDA should not attempt to manage grants. Its efforts should be to define targets and goals before the grant is made rather than to scrutinize operational details once the grant arrangement is in place.

V. Personnel, Staffing and Organization

1. Based on its review of OFDA programs and operations, the Assessment Team found no clear and compelling arguments for additional staff resources, particularly if measures are adopted to better define OFDA's primary functional responsibilities.

2. The Operations Support (OS) Division should be structured to serve more in the capacity of a Program Office providing a central locale for coordinating OFDA policies, planning, strategies, etc. Towards this end, it is further recommended that:

- (a) Transfer from the Asia/South Pacific Division (ASP) to the OS Division the Physical Scientist position which is also responsible for "...coordinating the ABS, Central Program Strategy Statement and Congressional Presentations."
- (b) Remove from the OS Division all the administrative management functions and create a separate Management Staff Office responsible for Operating Cost activities, e.g. personnel, space, support, etc.
- (c) Place responsibility for training and certifying Mission Disaster Relief Officers, maintaining a current listing of all such officers and insuring that these officers are kept current through briefing and educational materials.
- (d) Place the stockpiling responsibilities with one individual within the Division.

3. Each Regional Division should be responsible for tracking obligations and expenditures for grants and contracts for their respective regions.

4. Personal Service Contract employees located abroad would be more effective, particularly in Africa, if utilized on a regional basis within the REDSOs.

5. The GS-13 journeyman level in OFDA is consistent with comparable positions in other central Bureaus/Offices and positions are classified under a series sufficiently flexible to allow employees to effectively compete for other positions within the federal government.

6. The number of foreign service employees on the OFDA staff should be increased to provide a needed overseas perspective. The alternative of detailing FS employees for given periods of time is not a recommended long-term solution and would not be seen by FS employees as career enhancing.

VI. Budgeting and Financial Management

1. AID should approach the budgeting issue with a view to reducing inter-office tensions over funds, i.e., cut back on "borrowing." In this regard an increased OFDA budget of \$40 million for FY1990 would be helpful.
2. The present PPC/OMB practice of providing OFDA with periodic \$4.0 million apportionments is probably adequate.
3. A system should be established whereby the Director of OFDA can secure additional funds (obligating authority beyond apportionment) with a telephone call at anytime, night or day.
4. OFDA's geographic divisions should be given responsibility for tracking obligations and expenditures and for assuring that PVO grantees, contractors and other U.S. Government agencies submit bills promptly.
5. All accounts should be reviewed. Unliquidated obligations for which early expenditure is not likely should be deobligated and reobligated to more active accounts.

VII. Information System

1. The conclusions of the study by Deloitte, Haskins and Sells to the effect that OFDA requires only a single stand alone micro-computer for its data management system to track financial and contracting status are not satisfactory.
2. OFDA requires a network that allows as many staff members as possible to have work stations in their offices and thereby the ability to interface with data quickly.
3. The system ought to contain several separate databases or relational tables in a single database which provide information and data needed to deal with disasters -- names and telephone numbers of expert, PVOs, other organizations involved in various types of disasters, organizational capabilities, past performance, etc.
4. OFDA's information system needs to interface with AID's MACS financial system and PPC's budget system resident on the Agency's mainframe. Priority should be given to adopting a system that allows full access by other offices to OFDA's financial information.
5. AID should provide OFDA with something akin to a Wang VS mini-computer system capable of supporting approximately 25 users with a storage and memory capacity to handle the demands on OFDA and which allows for access by other offices.

OFDA DESCRIBED

The Office of Foreign Disaster Assistance (OFDA) in the Agency for International Development is the entity within the U.S. Government delegated by the President and the Administrator of A.I.D. to provide official American assistance to the victims of major foreign disasters. The Office is guided by legislation contained in Chapter 9 of the Foreign Assistance Act of 1961, as amended. Policy and Programmatic Guidance is contained in A.I.D. Handbook 8. In the period 1964-1987, OFDA provided assistance valued at over \$1.4 billion in response to 928 disasters in which 868 million people were affected and 2.8 million were killed. In addition, another \$2.3 billion in emergency food aid was directed to victims of these disasters, bringing the value of total U.S. disaster assistance between 1964 and 1987 to \$3.9 billion.

Although foreign aid was institutionalized within the U.S. Government by the adoption of the Marshall Plan in 1947, it was not until 1954 that a standing provision in the Mutual Security Act earmarked funds for foreign disasters. This funding provision was transferred to the Foreign Assistance Act of 1961. Still, disaster relief was handled on an ad hoc basis. Each relief operation had a new cast of players making decisions, launching rescue missions, and dispatching food, other supplies, and personnel to the site.

In 1964, a Foreign Disaster Relief Coordinator was appointed to have overall responsibility for mobilizing and coordinating the relief efforts of the entire U.S. Government. The Departments of State, Defense, and Health, Education, and Welfare (HEW) also appointed coordinators to orchestrate foreign relief responses within those departments. HEW and DOD continue to have officers designated as coordinators for foreign disaster relief matters.

In the course of several reorganizations within A.I.D., the disaster relief function was assigned successively to the Office of War on Hunger, the Office of Private Resources, the Office of Private Overseas Programs, and the Bureau for Population and Humanitarian Assistance. From May, 1976, until November, 1977, OFDA was an independent office. It was subsequently reorganized into a new Bureau of Private and Development Cooperation, along with five other offices, including the Office of Food for Peace and the Office of Private and Voluntary Cooperation. In 1983 it again became an independent office reporting directly to the Administrator.

Over its many years, OFDA has responded to all types of natural disasters, including earthquakes, volcanic eruptions, tsunamis, cyclones, floods and droughts. OFDA also provides assistance when people's lives are threatened by accidental or man-made catastrophes, such as industrial accidents, toxic

spills, fires, or when civilians are severely affected by civil strife. OFDA responds to requests for emergency assistance in over 50 disasters a year and monitors many more situations that could become disasters.

Emergency relief is the most important part of OFDA's work. When a natural or man-made calamity strikes a foreign country, the U.S. Ambassador on the scene determines that a disaster has occurred, that U.S. assistance is warranted, and that the affected country desires assistance. The Ambassador can then exercise his authority to spend up to \$25,000 for immediate emergency relief. Beyond that, OFDA and the AID Administrator, in his role as primary adviser to the President on disasters, must approve all further U.S. relief efforts.

The U.S. Ambassador may choose to make a cash donation to the stricken country's government, the Red Cross, or other voluntary agencies operating in the country. He may also choose to buy relief supplies locally, to finance distribution costs, or to hire local labor and equipment. Should food aid be required, P.L. 480 commodities already on hand can be diverted for emergency purposes. Additional emergency food may be authorized through the Food for Peace program.

When local supplies are not available, relief supplies from OFDA stockpiles can be delivered in 24 to 72 hours. OFDA stockpiles tents, blankets, cots, cooking stoves, auxiliary generators, plastic sheeting, water pumps, hand tools and other emergency supplies in five strategic locations around the world. Specialized supplies and equipment can also be procured from private U.S. companies.

Emergency relief is immediate assistance given to save lives and alleviate suffering in the first days or weeks following a disaster. The rehabilitative stage, lasting usually up to three months, helps to reinstitute basic public and private services. Long-term reconstruction generally is not carried out by OFDA but is provided rather through A.I.D.'s other economic development programs, or under special supplemental appropriations from the Congress as in the case of the 1985 Ethiopia famine.

OFDA's funds come from annual appropriations (which have averaged \$25.0 million per year) in the International Disaster Assistance (IDA) account, special supplemental appropriations (by which Congress provides additional money for specific disasters) and from OFDA's borrowing authority (under which OFDA is authorized to borrow up to \$50.0 million from AID's regular functional account appropriations).

OFDA is able, once a disaster has been officially declared, to waive normal competitive procurement and contracting regulations. This is done in order to save lives and reduce human suffering by eliminating the time-consuming nature of full

and open procurement competition; however, in exercising their authority, OFDA attempts to obtain a least three quotations for each acquisition.

OFDA does not work alone on disaster relief and preparedness efforts. It is engaged in a network of U.S. voluntary organizations, international relief agencies, and other nations' governments.

In terms of preparedness/mitigation, OFDA sponsors development of early warning system technology intended to improve the monitoring of disaster prone areas. Host government decision makers are also involved in the development of OFDA hazard vulnerability studies and disaster alert systems.

These systems assist emergency managers in the identification and tracking of imminent threats to determine when to activate emergency plans to protect populations at risk. Satellite imagery are being used to observe drought advances, storm movements, or flood conditions. Tiltmeters are installed to measure ground movements which may be pre-cursors of a volcanic eruption. Although earthquakes cannot yet be predicted, fault zone and geological mapping provides clues about the potential for earthquakes.

These surveillance techniques enhance OFDA's ability to inform other countries about seismic hazards and to respond rapidly when a disaster occurs. OFDA works closely with USAID Missions and host governments to identify and develop effective programs which will reduce the damage and loss of life caused by disasters.

"Creeping disasters," such as locust infestations or drought and food shortages (sometimes) have been managed by OFDA over extended periods of time. OFDA assists A.I.D.'s regional bureaus in monitoring such incipient disasters in order to mitigate their consequences. As these have increased in magnitude and duration -- especially in Africa -- they have become a problem for OFDA.

Beyond emergency relief, a principal focus of the disaster assistance program has been on strengthening countries' abilities to cope with disasters through increased reliance on their own resources. This is accomplished through in-country and international training programs.

Combining training opportunities with in-country disaster simulation exercises ensures that disaster management principles are understood and applied.

PROGRAM DISCIPLINE

Program discipline as practiced by OFDA in disaster assistance is necessarily different from that followed by the remainder of AID as it works for policy reform or for institutional and infrastructure development financed from ESF or DA accounts. In OFDA operations, premium is placed upon rapid response to sudden onset disasters. Spending authorities are looser and less time consuming. OFDA personnel clearly take pride in and get satisfaction from their capability to respond quickly and effectively. In virtually all cases, they have a reputation for doing exactly that, and doing it well. They are unimpressed by the assertion from others that sometimes they are perhaps too responsive and may seek work too avidly.

There is even less tolerance for the notion that they sometimes use their special spending authorities to cut too many corners. Some officers assigned to OFDA concede that their work might at times take on this appearance. But they add -- and with justification -- that seldom is criticism voiced by the public or Congress because OFDA has been too responsive. It is always forthcoming, however, from those who consider disaster assistance in a particular instance as being too little or too late. OFDA shapes its operations accordingly.

Indeed, these circumstances influence the style by which OFDA carries out its work. However effective OFDA might be, program dangers are inherent to this style. The definition of disaster has been broadened to a point where just about any unforeseen event in which a few human beings suffer is fair game for OFDA. The nature of the work also precludes OFDA from setting priorities among disasters linked to the magnitude of the disaster at hand. Whatever the disaster, rapid response requires that virtually the same techniques be followed and, to a point, that the same amount of effort be expended.

Long term disasters do not allow for this evenness of response which might account for OFDA's seeming impatience with slow moving and overpowering long range commitments such as drought and locust infestations. Some OFDA officers concede that the internal organization of OFDA is fashioned along the lines of the disaster relief discipline as practiced in Latin America where most such events are quick onset and require a rapid response. A danger here is that the response system tends to become a surrogate for judgment on any particular response. OFDA does not, of course, respond to all disasters, and we do not intend to imply that it does.

Emphasis on rapid response also has another problem. It creates an inclination for the office to want to stand alone. There is annoyance with the normal routine and with the offices that practice it as they provide support to OFDA's efforts on contracts and budgeting. In the name of rapid response,

operations are seen as having integrity only when they are inclusive and when dependence on others is minimized. This problem appears to be dogging OFDA at the present. Duplication of functions and poor staffing practices can sometimes result. Ultimately, OFDA's single objective focus on rapid response must be controlled if such an office is to live within the larger organization.

The notion appears to have been accepted by OFDA officers in our discussions with them that disaster relief as an expression of the American humanitarian impulse carries the quality of "showing the flag" when it is expressed through U.S. Government operations and funding. There are, of course, other ways of showing the flag. Particularly when the United States is already providing economic assistance through AID, a question can arise over the level of disaster assistance that is appropriate for the U.S.G. to provide. How much is enough? Admittedly, this is not an easy question to answer. It is a fitting one, however, for those who have the authority to trigger the expenditure of millions of dollars in disaster funds.

Between 1964 and 1987, the United States provided 45% of the disaster assistance extended throughout the world outside Europe. Opinions can differ, of course, as to whether this proportion is suitable. The figure does provide, however, a useful guideline insofar as it can serve as a crude macro indicator of the American people's perception of adequacy over the past twenty-five years.

A review of 1987 obligations helps point up the problem involved in gauging response in a specific disaster. The pattern of activity for disaster assistance (as opposed to preparedness projects) by level of expenditure was as follows:

Dollar Expenditure	No. of Disasters
4,000 - 25,000	21 (20)
26,000 - 100,000	8 (7)
101,000 - 500,000	12 (6)
501,000 - 1 million	5 (3)
1 million and up	11 (2)

These figures cover all U.S.G. expenditures (including financing from other agencies or Title II) and not just IDA funds administered by OFDA. OFDA alone was involved in the number of disasters cited above in parenthesis. Total outlays in FY 87 were \$265 million, with 98 percent of the funds being obligated for disasters involving \$1 million or more. All of the disasters in which \$25,000 or less were expended were at the discretion of the Ambassador. And in only six of the twenty-one cases cited did any part of the international community join the U.S. in providing relief. With regard to disaster relief of over \$1 million, there was unanimity between the United States and the

international community. In each case someone else joined us.

It would appear, therefore, that there is some basis for reassessing whether small donations which stand alone qualify as disaster relief. While perhaps for a worthy cause, they are more in the way of charity. As often as not, they are for assistance after some kind of storm (9 cases), flood (3), epidemic (2), or fire (2) -- a local event often of little note. Could it be that some ambassadors are too anxious? A redefinition is possibly called for to determine when small unfortunate happenings are actually disasters. And OFDA should ask whether or not too many unfortunate but small events are designated disasters. If so, then new ground rules should be established for the use of the Ambassador's designated authority. Such decisions all chew up staff time and complicate the task of OFDA.

These circumstances raise another question. Expressing our nation's humanitarian impulse through government expenditures is laudable, but are those who urge relief on the case of any single disaster aware of the accumulative total figure for drought relief on an annual basis? Citing a few figures are useful in this regard.

<u>FY</u>	<u>Total USG Assistance (millions)</u>
78	68.2
79	64.4
80	139.0
81	70.5
82	90.8
83	178.6
84	169.4
85	803.5
86	279.4
87	265.1

In any particular disaster the OFDA Director can get queries from the Administrator's Office, the Under Secretary of State and an array of Congressional staff members. Coming from these sources, even the most tentative phone call can easily be translated into instructions to do something. Such initiative by those in high places can, of course, rest on true humanitarian concerns, but it is also due to interaction and competition among departments and branches of government. It might be appropriate to engage in a little reconceptualization and reeducation as to what a realistic response to international disasters might be under various circumstances. If OFDA experienced somewhat less pressure, it might be able to meet the American people's desire for humanitarian assistance in a somewhat more measured and less costly fashion. OFDA should be insulated from pressures (seeming and real) to respond to every

storm, accident or flood that makes news on CNN.

While the Assessment Team was engaged in its review, a disaster occurred which provides an interesting case study of disaster relief programming. This was the Khartoum flood that occurred when eight inches of rain fell on August 4, 1988, followed by heavy rains on August 12. More than one million people were adversely affected. A disaster was declared by the Ambassador and assistance was requested. But the USAID mission delayed in providing specifics on the assistance it deemed appropriate. These were to follow, but they did not. The Ambassador grumbled over OFDA's lack of responsiveness, showing an obvious absence of coordination through the Country Team in Khartoum.

Rather than suggesting that Khartoum get its act together, OFDA loaded a C-5 with 858 rolls of plastic sheeting and sent it off to Khartoum at a cost of \$433,000. The assumption of OFDA was that because plastic had been useful in Khartoum on a previous occasion, it would surely be of help again, and a case can be made for this assumption. At about this time, the Mission asked for water trucks -- also to be airlifted by C-5's. The cost of this item alone would have been \$2 million if an airlift were used. Instead, an OFDA contracted trouble-shooter was sent to Khartoum. He was able to determine that water transmitted disease was indeed the real problem. He opted for local fabrication of water trucks purchased from local currency and he asked for the assistance of three CDC epidemiologist. Because of the presence of the OFDA trouble-shooter, the US Government achieved its purpose at much lower cost than proposed by the mission. There is a lesson to be learned in this incident.

Assistance in this case was not directed toward the 1.5 million settled inhabitants affected by the flood. Rather, the homeless located south of Khartoum were to be the target of US assistance. These people are largely Southern Sudanese driven north by the civil war. On a previous occasion the government had resisted US assistance for them, fearing that this would lead to their permanently settling in the area. Certainly, with regard to Ethiopia there has always been an urge to provide humanitarian assistance, even when the government was not enthusiastic. Now the same applies to Khartoum.

Considering the circumstances under which OFDA operates, as well as its exposure to criticism if it does not respond rapidly, should anyone be faulted in this incident?. The Mission's early notification that a disaster existed, followed by its failure to provide specifics for almost a week created a dilemma for OFDA. Nevertheless, things could have been done differently and at a lower cost. Were the C-5 and the plastic sheeting necessary? Should representatives of AFR who were involved in the decision (at least passively) have counselled another course (in view of the fact that the financing was via borrowing from AFR accounts)?

And should the Mission have been braced (again by AFR) to be more active (and possibly sensible) in its reporting and requests pertaining to disasters? From this case, it would appear that no new procedures are required. But clearly, programming practices should be tightened up.

The Assessment Team noted that a similar set of relationships emerged after an earthquake hit Nepal on August 21. Specific commitments were entered into before an experienced disaster relief officer could assess the situation and suggest materials and services appropriate for the circumstances. **These were decisions taken at OFDA/Washington while the officer was still in the air on his way to Nepal.** OFDA recognized its problem in this case. Some concluded that they did not have full control of their operations. The Team is recommending a system that should help guard against this danger.

The commitment made by OFDA in the first ten days of the disaster in Khartoum was consistent with previous practice. Total foreign assistance for flood victims in this period amounted to \$10.2 million. When the regional "Arab/Islamic" specific aid of \$8 million provided by Saudi Arabia is set aside, the international response amounted to \$2.2 million, of which the United States contributed \$958 thousand. That amounted to 43.6 percent of the assistance coming through the usual donor community. As noted above, on an annual basis, the US share of assistance extended by this group has averaged 45 percent. At least at the outset, the U.S. did not suffer from overexposure.

A problem which AID (and not just OFDA) appeared to suffer from in the Khartoum case was that programming techniques led to an avoidance of the comparative judgments that can be so valuable in such situations. Each disaster tends to stand on its own. There is no way of assessing relative importance of a U.S. response to one disaster as compared to the next. In the absence of supplemental appropriations (which we assume will continue to be the case), this is where tensions over expenditures begin, either between OFDA and PPC over expenditure levels, or in the case of borrowing, with a regional bureau.

Overall, three devices readily available to OFDA might help rationalize programming procedures. These consist of:

- A Disaster Relief Strategy Statement
- Closer observance of the 60 and 90 day limitations to which OFDA is formally restricted by Handbook 3 with regard to the time allowed for emergency and short term recovery work, respectively.
- A phasing of disasters (Phases I and II) to provide a review point before OFDA proceeds beyond the Ambassador's \$25,000 authority or possibly some other limit.

There is some doubt within OFDA that there is wisdom in

adopting the strategy statement process. The fear is that it would give others within AID an opportunity to review and possibly distort the office's mission. The Assessment Team has concluded that OFDA should bear this risk in order to achieve the internal benefit of having reviewed its program, thought about its preparedness functions and questioned all of its operations itself. OFDA's repute within the Agency and throughout the executive branch and Congress is high enough to preclude distortions induced from outside the office.

The process involved in producing a strategy statement would be responsive to some of the more critical features of this report. It would amount to a useful exercise in programming for the staff and possibly help incorporate more discipline (beyond rapid response) into their decision-making process. Moreover, it would be an internal exercise that would allow OFDA itself to conclude whether it required some modification in its priorities and operational techniques. Assistance from someone with experience in missions as a program officer and currently working in a geographic bureau might be useful in making the adaptation.

Closer observance of the 60 to 90 day authorities would do much the same. One of the difficulties for the OFDA staff is the lengthy disaster in which the need for assistance drags on beyond the original intent of relief activities. Because they are so lengthy, they seem to go beyond the scope of the OFDA mission. These relief efforts include aid to victims of drought, infestations and some civil strife. They just will not end at a time that will allow OFDA to move on to the next disaster. An operation, such as OFDA, that specializes in rapid response can easily become overloaded by slow-moving long-lasting commitments. A means must be found for allowing OFDA to share this part of the disaster burden with others.

A subsequent section of this report, "Geographic Bureau Initiative in Select Disasters," describes a means for regularizing relations with the geographic bureaus. It also includes suggestions for how OFDA might avoid the initiative and play only a supporting role in such disasters by handing off primary responsibility to the bureaus at the end of its mandated period of engagement. If the time limitation on OFDA spending authority is up front in discussions with the bureaus, then the bureaus will be more aware of their own responsibilities following the initial period of a disaster. The point when a disaster becomes quasi-developmental would be clearer. The issue of how and when OFDA gets out of the activity would be of concern from the start.

While many relief efforts start small and remain small, there is always the danger of creeping involvement. Adding one more formality to disaster response in the form of two phases to disaster assistance could trigger a review and evaluation while response to a declared disaster was in process. Before

proceeding beyond some specified point in its spending authority, OFDA would review actions and expenditures to that date. It would consider the assistance provided by others, and any changes that might have occurred in the nature of the disaster as it developed. In this review, OFDA would attempt to forecast the course of the disaster and of any unintended response it might thereby unintentionally get drawn into.

Not only would OFDA's budget projections be improved by this two phase process, but also missions and bureaus that become involved in spending disaster funds provided by OFDA would experience added discipline. Individuals in other offices, bureaus and departments sometimes see OFDA funds as "free money" -- a source of financing for pet projects that might marginally work their way into a disaster response even though previously they had not stood up to the usual budgetary scrutiny in a DA project review. The knowledge that a disaster declaration was a two step process involving a review would tend to limit this practice, and give OFDA expenditures greater integrity.

THE PREPAREDNESS ISSUE

No one with whom we talked was willing to say that there should not be preparedness. A vast body of literature argues in favor of its general cost-benefit advantages. Interviews around the Agency indicate a certain skepticism, however, about the relevance and utility of various of the OFDA preparedness activities.

Part of the problem is misunderstanding among those not conversant with the application of science to disaster relief. But the other part is the soup to nuts quality OFDA has given preparedness activities. The two parts obviously interface. In reviewing the wide range of activities which OFDA has supported under a generic preparedness label, the Assessment Team has noted some shortcomings. First, it appears that OFDA lacks a real definition of what preparedness includes, does not include, or could include. To think of a program area in vague terms is a long step down a slippery slope. Without a concept-driven set of criteria, OFDA appears vulnerable to the criticism that it cannot make defensible distinctions between relevant and irrelevant projects.

In addition, there appears to be little formal evaluation of the various preparedness projects which OFDA funds. Without such evaluations, it is difficult to determine internally -- or explain externally -- what is working well and what is not. Excellent and cost-effective activities are obviously included in the OFDA preparedness portfolio, but the lack of a coherent strategy gives the impression of a "shotgun" approach -- fire enough pellets, and some will hit. Preparedness, in fact, should be an important part of the strategy statement which the

Assessment Team is recommending.

In April of this year, OFDA compiled a list of all major "non-relief activities" (\$50,000 or more). The list includes activities related to preparedness, mitigation, warning, prediction, etc. from FY 1984 through FY 1988. Seventy-five separate activities were listed. Forty-five of these were PASAs (USGS and Coast Guard), a RSSA (Forestry Service) and numerous grants to a variety of organizations--PAHO, Red Cross, UNDR0, UNDP, OAS and others. The value of these grants over the four years was more than \$17 million. In addition there were 13 workshops/ training sessions/ conferences for which another \$1.2 million was committed over the same period. Finally, 17 "miscellaneous" activities were included which totalled more than \$1.6 million. OFDA intends to review all major non-relief activities, indicating that the office already sees possibilities for improvement in this area of activity. The Assessment Team encourages OFDA in its review.

From the standpoint of the Assessment Team, the problem is actually two-fold. First, the entire "non-relief" side of the OFDA house appears to be driven by "good ideas" or "targets of opportunity" as they come up. That is, we cannot discern a global or regional strategy which can show us how the 45 major activities, 13 workshops, and 17 miscellaneous endeavors are supposed to interrelate. Many obviously valid activities are on the list, including support for the regional teams in Latin America, storm detection systems, volcano monitoring, etc. But coherence is lacking.

It also appears that no formal evaluation procedure exists to compare and rank "non-relief" proposals or ideas as they come to OFDA's attention. Review, if any, is informal. Combined with the lack of conceptual clarity regarding the various features of hazard and disaster management (mitigation, preparedness, warning, prediction), and how these aspects fit together, OFDA is continually in a "response" mode even as it devotes attention to hazard management or "preparedness." At best, this constitutes an organizational contradiction.

The justification for OFDA funding of various seismic detection networks is instructive in this regard. Unless they are part of a volcano monitoring effort (where the state of the art is advanced enough to provide some true warnings), seismic detection arrays yield "data" and only data. Given the state of the art in earthquake prediction, no predictions or warnings can be given with any confidence. Therefore, the Assessment Team asked why OFDA is funding the setting-up of seismic networks.

The answer is that the seismic detection arrays will provide data which can be used to create risk maps and vulnerability assessments in various countries. These maps could then lead to better mitigation in the form of improved building codes, land

use practices, and warning systems targeted on high risk areas. These inputs, however, simply move the problem to the weakest link in the chain --to the host country's commitment, decision-making, and implementation capacity. We cannot escape the conclusion that, while the technology is "shiny," the actual lifesafety impacts -- at least in the short to middle run -- are doubtful. We feel compelled to question whether the monies used for seismic networks (more than \$2 million over the four years) could not have been better spent on other activities with more immediate results.

If research is not applied -- if it is not shaped to produce tools useful in disaster relief operations in the relatively short run -- should it not be funded by others? The rationale for the OFDA coordinating function is to be able to bring together the great technical capability found in the United States and use it in foreign disasters. If this is the case, why then should OFDA funds be used to develop this capability sometimes under the guise of training projects mounted in cooperation with other government agencies? Research activities supported by OFDA usually apply to prediction and prevention. Both are important parts of mitigating disasters. But they are also long range, and other institutions within the US Government and the American scientific community have primary commitments in working on these problems. OFDA should not think that all this is on its back.

Apparently, a portion of the funds allocated to projects under the heading of preparedness are used for networking --providing inducements to various offices and organizations outside AID in order to assure that they are cooperative when a foreign disaster occurs. Examples are USGS and the Forestry Service. OFDA believes it needs them both, yet their respective mandates preclude their spending on foreign ventures. As a result, OFDA is drawn into funding arrangements with them that sometimes extend beyond reimbursement for actual services. Networking may be legitimate, but the entire area clearly needs sorting out.

We recommend that OFDA assemble its most experienced disaster hands, past and present, probably by region, and in an isolated setting, ask them "what pre-event mitigation or preparedness measures would have made your job, and the U. S. response, better or more efficient?" That is, we are suggesting that OFDA explicitly focus its limited preparedness funding on what would improve the U. S. response, rather than on trying to fill the usually yawning "generic" gaps in host country disaster management capabilities. This would give a start to the strategy statement process. Secondly, we propose that OFDA formulate regional "non-relief" strategies based explicitly on the experiences of those who have been through at least three major disasters. This would not necessarily eliminate efforts to develop host country management capabilities. It would, however,

put the features of preparedness into perspective and give them more of a "field driven" quality. More focus and better programming on these activities would probably result.

Perhaps the most useful guiding criterion would be for OFDA to focus on preparedness activities which can be shown to contribute directly and immediately to mission, AID/W, or host country disaster response and hazard reduction abilities, including warning systems. OFDA should attempt to avoid supporting activities which fall under the rubric, basic research.

Exceedingly small preparedness projects -- those which might not be worth the paper work -- should also be reexamined and possibly avoided. The same applies to parts of the training element of the preparedness portfolio. The Assessment found training diffuse and fragmented. Some one hundred training activities (give or take a few) are initiated annually at the cost of from a few hundred to a few thousand dollars each. All these are short term training events that can be easily questioned unless they rest on an explicit training strategy drawn from an overall strategy statement.

The recommendations in this Section amount to giving preparedness a more operational flavor. To begin with, this could be achieved in three ways:

- Establishing a certifying system for Mission Disaster Response Officers (MDROs) which requires two weeks orientation with OFDA for all such officers.
- The extension of the same type of field services now found in San Jose, Costa Rica and Lima, Peru to Africa by assigning a Regional Disaster Response Officer to each of the two REDSOs.
- Extending the list of disaster "gurus" from the one currently used to possibly three or four.

Having disaster conscious officers in all missions would in itself be a major feature of operational preparedness. The orientation program would be devised by OFDA, and incumbents of specified positions at the missions would be required to participate while on home leave or before going to post. Appropriate position descriptions would be written to include MDRO responsibilities. OFDA would thereby become a known entity for all missions. When a disaster struck, Ambassadors and Mission Directors would have a resident source of up-to-date information and advice on how to initiate disaster responses and on how OFDA operates -- what it does and does not do.

Regional officers in Africa (as currently in Latin America) could supplement the work of the MDROs. As full-time disaster officers they could coordinate networks of disaster response among missions, identify PVO's and host government offices that

would be concerned in a disaster and assume an active role in developing both preparedness and response capacities within missions and host governments. In Costa Rica such individuals have proved valuable, not just in preparedness, but also in assessing conditions and recommending an appropriate and rapid response when disaster strikes. They would have the information and the know-how that would supplement the knowledge of the MDRO. Care must be taken to assure that regional officers in Africa are not diverted to actual mission work as some of OFDA's contractors (PSCs) have been on occasion in Mozambique and Malawi. The necessity for this safeguard is the basis for giving them the REDSO identity with the independence it assures.

As for the "gurus," they constitute the walking, breathing, flesh and blood embodiment of preparedness. When a disaster occurs, such individuals can be sent to help organize the response from its inception. They would follow along after the regional disaster officer had assessed the situation. It has been noted that in a disaster, authority gravitates toward competence and expertise. Mission Directors and Ambassadors are happy to see such a person arrive on the scene and take a leading role in organizing the response. Currently Fred Cuny provides such help in a highly effective way. The Assessment Team recommends that this service be "institutionalized," possibly through some arrangement with the two or three other experts (in addition to Cuny) who work out of the Center for Disaster Management at the University of Wisconsin.

A conclusion that the Assessment Team came to regarding the various aspects of disaster relief is that OFDA is structured for and good at rapid response. Its focus should be on this function. To the extent possible, various other features of the office's mission should be deemphasized, or assigned to those working outside the AID/W setting. As in the case of the regional disaster officers, many of the functions taking place physically outside OFDA would still be that office's responsibility. Thus, our recommendations on devoting preparedness funds more to operational type activities, performing more of this type of preparedness in the field and requiring missions (see next section) in disaster prone countries to develop appropriate disaster response projects fit together as major features of a modified conceptualization of preparedness.

OFDA can point to some notable successes in the design and development of materials and equipment adapted for disaster relief. It has formulated several components which could be wrapped into a strategic plan for preparedness, including target country criteria, and a post disaster de-briefing "lessons learned" files. But more time and effort are required to convert these planning tools into a preparedness strategy. The next hurdles are the most important -- to develop and overall conceptualization of now OFDA relates to preparedness and to turn implicit agendas into a true program based on a long term

strategy statement.

This will facilitate decision-making on where to put the limited preparedness resources. The Assessment Team recommends that until this process has been completed and a strategy is in place to serve as a justification for expenditures on preparedness, OFDA be required to set and hold by a modest figure for preparedness, possibly \$4 million. Because the categories "preparedness" and "relief" do not appear to be totally exclusive, the Team also recommends that no activity which heretofore has funded as preparedness be allowed to appear on the relief side of the budget.

GEOGRAPHIC BUREAU INITIATIVE IN SELECT DISASTERS

A major source of tension for OFDA occurs in its relations with the geographic bureaus. This problem can be defined in budgetary as well as programmatic terms. In the case of the former, it is the "borrowing" authority which creates the condition, and it is with the Africa Bureau that the tension has been the most pronounced. In particular, ~~AFR objects to borrowing from the Development Fund for Africa.~~ From the perspective of the Africa Bureau, DFA is meant for development, interpreted as economic structural adjustment. It is provided to governments for performance in policy reform. Disasters are viewed as not qualifying on either count. They are not seen as being truly developmental in a policy sense. Even worse, the largest part of OFDA borrowings from DFA have gone to Ethiopia, the prime nonperformer in economic terms on the continent. In addition, AFR might have some concern that devoting too much attention to disasters would mark a retreat from policy reform to a basic human needs strategy.

~~Surely, if a way could be found to program disaster relief to Ethiopia and Mozambique by some means other than through borrowing, the Agency would have relieved itself of a major burden on interoffice coordination.~~ For FY 88, from the \$37.7 million obligated by OFDA through July 22, \$15.7 million went to Ethiopia and another \$4.4 million went to Mozambique. Ethiopian funding has consisted of:

Regular Emergency Relief	\$10.6
DFA (borrowed)	4.4
African Orphans (OFDA earmark)	0.5
DA-ARDN (borrowed from AFR)	0.4
TOTAL	15.7

~~All obligations for Mozambique have been from UNCC, another African account.~~

But this is not the only problem that looms in OFDA's relations with the bureaus. Already a minor difference has

arisen with ANE over OFDA's request that the Morocco Mission reimburse it for expenditures on the mission's locust operations. This raises the prospect of OFDA wanting missions to "buy into" its activities any time they devote attention to a disaster. This can only deter bureaus and missions from looking upon long term response to disasters as part of their regular development portfolios. In addition, with the price of grain increasing and the Agency's budget fixed, difficulties could arise with FFP over inland transportation charges related to Title II emergency food shipments. Differences with other bureaus are not, therefore, just a matter of attitudes in AFR over the developmental aspects of disaster relief. They are a question of budgets, and the potential exists for differences with all bureaus.

The three examples cited here do have one thing in common. They pertain to the **slow-onset long-term type disaster**. The Director and Deputy Director of OFDA maintain that in many cases, and particularly with **drought and locust infestation in Africa**, **these problems must be overcome as part of the development process**. Certainly, it is difficult to think of an adequate response to locusts being managed over the long haul on an emergency basis. Too much planning, prepositioning and technology are involved for that.

Within certain limitations, locust infestations are cyclical and predictable. This suggests that they should be treated as other cyclical and predictable impediments to development that lend themselves to solutions through "projectization." These, in fact, could be **determinants for having a geographic bureau and its missions take the initiative in responding to slow onset lengthy disasters**. If an event has deleterious consequences for socioeconomic development and if this event is **cyclical, predictable and slow in its onset**, then the **appropriate geographic bureau should have basic responsibility for U.S. disaster assistance**.

As development activities, response to locust infestation and drought would presumably be **managed by the bureau either as a mission or as a central office project which missions could buy into**. A combination of the two might be required to pinpoint responsibility while assuring a rapid response both in those countries where AID has a mission and in those where it does not. The question is how these activities would be funded, budgeted, and staffed without detracting from the attention and resources devoted to positive, as opposed to the catchup variety of development which post-disaster reconstruction and some aspects of disaster preparedness constitute.

Drought and locusts do not, of course, occur every year. Thus, as projects, combating locusts and drought would have configurations different from most other projects. **A project with either objective could lay dormant for an extended period and only be activated as drought or infestation occurred**. This would suggest that in establishing such a project, the mission

develop through its DA account both the planning and institutional response aspects of disaster relief in cooperation with the host government. Funding the actual emergency -- equipment, supplies and expatriate personnel -- would be beyond the mission's capacity. More than likely, all its resources would have already been committed in the OYB for its regular activities by the time of the onset of the disaster.

It would be at this point that the mission and the respective bureau would interface with OFDA and its flexible spending authority. In effect, missions would handle operational preparedness with their projects but would seek OFDA help in the actual emergency. It can be argued that this approach would not overexpose a mission to excessive "nondevelopmental" commitments. In fact, having a project for likely disasters in disaster-prone countries would define and thereby limit mission involvement. The commitment of resources for the disaster would already have been determined in the planning set forth in the project. When a disaster occurred, the regular work of the mission could proceed while the disaster was handled under the project in a purposeful and structured fashion with resources already identified from outside the mission's and the bureau's budget.

The relationship between OFDA and the missions could be arranged in a number of ways. Already, missions in disaster prone countries have been directed to deal with disasters in their CDSS. Establishing a project for such activity only carries the process one step further. And what about emergency spending authority? One approach would be to allow the bureaus to exercise it under certain conditions. Handbook 8 specifies that the Administrator of AID is usually designated by the President as the Special Coordinator for International Disaster Assistance. He exercises the President's authority to furnish assistance for disaster relief under Sections 491-491 of the Foreign Assistance Act. In turn, the Administrator relies upon the Office of U.S. Foreign Disaster Assistance to act on his behalf. In fact, other delegations within AID could also be made. In the case of locust infestations or drought, the authority could be vested in the assistant administrator of the appropriate geographic bureau.

This would determine the location of the spending authority in a particular disaster. As for the funds, they would have to come from those appropriated for disasters. They might be from the OFDA budget or from a supplemental appropriation. In either case, the funding level would be identified in conjunction with OFDA.

Ultimately the funding of major disasters is determined by three factors:

- **Limitations on supplemental appropriations as part of deficit reduction**

-- **The constraints on the OFDA budget which (whatever its level) must constitute a specified spending authority**

-- **The concern of Congress and the American people that as a nation, we are sufficiently forthcoming in expressing our humanitarian impulse when disasters befall other people**

Up to this point these forces have been amalgamated through the borrowing authority. The Assessment Team would like to suggest a new funding source to replace borrowing, **possibly a \$50 million special presidential fund for disaster relief.** It would consist of "no year" funds and be replenished after a specified drawdown. We recommend that such a **fund be held by Treasury** so as not to appear as a regular part of the AID budget. This fund could be utilized after the OFDA budget was exhausted, with drawings against it being justified on the basis of a review for Congress of OFDA obligations for the operational year and an explanation of the planning and financial demands projected for the immediate drought or infestation for which the "special" funds were needed. Such a fund was proposed by the House Select Committee on Hunger in 1986. The Assessment Team believes that this idea should again be reviewed. It appears to us to be the most plausible course for ending the all but incomprehensible practice of "borrowing."

Overall, this approach would shift the initiative from OFDA **to the bureaus for all slow-onset long-term major disasters.** OFDA would still participate in the implementation of the early stages of the activity. Its financing and cooperation would activate the mission's project. But **OFDA would occupy a support role, clearly avoiding quasidevelopment type activities that can occur as a mission works to relieve those features of a disaster that constitute cyclical and predictable impediments to production.**

For activities across bureaus, as in the case of locust infestations that can simultaneously occur in ANE and AFR countries, coordination could be handled through a **task force that was staffed and remained jointly responsible to the participating bureaus.** This would seem to have an advantage over OFDA having responsibility for coordination of a joint task force insofar as coordination by the bureaus would tend to draw them immediately into the commitment to combat locusts, drought and the like. As stated above, following the initial few days of the disaster, when OFDA might be required to provide support to mission projects under its special authority, funding for mission efforts would be dispensed by the geographic bureau under a limited delegation of that authority.

The Africa Bureau must be given special attention when it

comes to a discussion of a redistribution of disaster relief responsibilities insofar as most of the long term disasters occur in Africa and the borrowing authority has been exercised principally in drawing funds for OFDA programs from AFR accounts. The Africa Bureau is already organized to handle some of the responsibility for responding to lengthy disasters which the Assessment Team suggests be transferred from OFDA to regional bureaus. An African Emergency Coordination Office and a Locust Task Force (staffed by AFR and ANE but reporting to OFDA) already exist. These entities can assume responsibility for locust and famine relief programs with the funding and implementation techniques proposed herewith; i.e., AFR, working through its emergency coordination staff and appropriate missions, would use DA funds to facilitate the preparedness and planning aspects of specified potential disasters. The central project, African Emergency Grasshopper and Locust Project (to which AFR has devoted \$9 Million and into which missions can buy) provides a useful model. So does the Famine Early Warning System FEWS maintained by AFR.

The Assessment Team also believes that Ethiopian humanitarian assistance can be handled by a desk operating from the Emergency Coordination Office. In view of the present arrangement for funding most Mozambique relief from SAOCC, this program might be placed under either the office of South Africa Affairs or the Emergency Coordination Office. These activities can appropriately be accommodated in this way as disaster mitigation and rehabilitation come to be seen by AFR as having more of a developmental character.

During the 1985 famine, backstopping in Washington was particularly effect because one of AFR's Deputy Assistant Administrators devoted special attention to overseeing famine relief activities. The linking of the Emergency Coordination Office programs, or any task force that is established, to a DAA could again provide organizational coherence.

If the OFDA budget remains at \$25 million, and if the recommendations of this assessment are adopted, AFR can expect few contributions from OFDA's budget when an actual emergency calls for the activation of one of its disaster relief standby projects. Funding would depend on supplementary appropriations, the President's \$50 million revolving fund (if legislation is enacted) or -- and least desirable -- from borrowing.

REGIONAL PROFILES

This Section consists of regional profiles -- descriptions of disasters and related relief efforts in various countries as grouped in the three AID regional bureaus. The profiles also include the impact that disasters in the region have on OFDA operations. The Assessment Team sees these profiles as the basis

for OFDA's developing a Strategy Statement. Because of the divergence of disasters and response mechanisms among the regions -- and particularly between Africa and Latin America -- no standard strategy for preparedness or relief may be possible on a worldwide basis. Consequently, OFDA might be required to develop a regionally sensitive strategy which draws on as many common features as it can identify, but then varies as necessary to cover problems specific to the respective regions.

OFDA in Latin America

As the Assessment Team reviewed the kinds of preparedness and response activities which OFDA has carried out over the last decade, it became obvious that regional distinctions are important. The different regions tend to have "characteristic" disasters, and the operational, administrative, and political challenges associated with each type reflect these differences. For OFDA, Latin America stands out in five ways. First, the region tends to have the classic rapid-onset disasters in which the "event" (earthquake, volcanic eruption, hurricane, flood) is over relatively quickly, although recovery and reconstruction may take years. Second, the established presence and high level of activity of the OFDA regional preparedness/response advisers located in Costa Rica and now Peru had a major impact on several of the field missions and host governments. Indeed, interviews with field personnel at the time of the El Salvador earthquake indicate that without that OFDA regional team, "there would not have been a U.S. response." Third, and probably related to the first two points, several of the Latin American host governments appear committed to improving their disaster management capabilities.

In addition, the DOD presence in Panama -- SOUTHCOM -- provides a resource base and logistical possibilities unmatched in most of the other regions. It should be noted, however, that at times SOUTHCOM has been known to set and implement its own relief agenda, without fully informing OFDA beforehand -- even when it expects OFDA to foot the bill. The provision of unrequested field hospitals and associated personnel on three occasions is a case in point. Moreover, the countries of Latin America share language and cultural commonalities which allow a great deal of mutual assistance and learning within the region. This tends to make OFDA more effective before, during, and after a disaster.

Given the foregoing, it should not be surprising that OFDA receives such high marks within the Agency and from external constituencies for its "responsiveness" to disasters in Latin America. The experienced regional team can do quick and accurate damage assessments, which often help a shaken mission keep perspective on a situation. The classic nature of Latin American disasters is an advantage in the sense that the needs profile is

anticipated in the stockpiles (sheeting, water bladders, blankets, etc.), and fewer unusual procurements are necessary. The nature of Latin American disasters plays to OFDA's "quick-hit and then out" strength, leaving the missions to deal with the longer term recovery and reconstruction issues. This largely avoids the turf and hand-off problems inherent in the definitionally gray area between disaster response activities and development projects. Finally, because of host government capabilities, OFDA preparedness efforts over the years in Latin America have had a greater payoff than in other regions.

OFDA in Africa

OFDA's present preoccupation with African disasters is of relatively recent vintage. For many years OFDA was, in effect, composed of a Latin America Division and a "rest of the world" division. Latin America was where most of the action was. It was not until the Sahel/Ethiopia famine of 1973 that Africa began to consume any significant share of OFDA's attention and resources.

How things have changed. In 1987, a full 70% of OFDA IDA disaster assistance money was obligated for Africa. And not only are there now more disasters in Africa, with more money flowing to these disasters, but they also tend to be a different type from the quick-onset and quick-out disasters that characterize Latin America disaster relief. To a lesser extent, Africa's problems vary from those of Asia where earthquakes, landslides, floods, and hurricanes are more commonplace. Disasters in Africa tend to be slow-onset in nature. And they linger on and on. Drought/famine, refugees from civil strife, annually recurring epidemics and insect plagues tell the African story.

In addition, African disasters have other distinctive characteristics. ~~They are often large scale disasters requiring disaster relief~~ ~~outlets.~~ To the extent that OFDA has had to "borrow" funds from a geographic region to cover the costs of disasters, these borrowings have almost inevitably come from Africa -- understandable, given the relative size of African disaster activity compared to the other geographic regions. The frictions that such borrowing creates have also, inevitably, been with the Africa Bureau.

~~There are also large scale disasters in the Middle East and Asia. However, the host governments have not, for the most part, developed disaster response/mitigation capabilities to the extent (however limited) that these exist in many countries in Latin America, the Caribbean, Asia and the Middle East. Over the past twenty years or so, African countries have not been able to devote as much of their own resources to their own disaster relief. International~~

bilateral donors have done the rest.

Further, given the nature of Africa's disasters, the types of preparedness/mitigation required are also different. We are dealing with man-created rather than natural causative factors to a much greater degree than in disasters typical of the other regions. The drought/famine conditions in Ethiopia, for example, are largely a product of (1) centuries of improper soil conservation practices, (2) agricultural production techniques that have not kept pace with the rapidly increasing demand for food as population has increased, (3) a political system that has robbed farmers of incentives to produce more, (and) (4) civil strife that makes the transport of food difficult, if not impossible.

As a result, mitigation/preparedness in Africa has more of a development or political dimension. Much of the longer-term response to famine lies in helping Africans improve food production and food distribution systems and to increase the income-earning opportunities of the impoverished. Mitigation requires helping them develop integrated pest management programs and institutions. It means resolving the political conflicts that have created the enormous number of refugees. What it does not, or should not, mean is long term involvement by the Office of Foreign Disaster Assistance.

Another characteristic of disaster relief in Africa is that it tends, by and large, to have more of an international flavor. Because disasters call for extended relief efforts of enormous magnitude, there usually are many donors combining their efforts and working together over the long haul. While creating opportunities for cooperation, these conditions also generate friction, confusion, duplication, and wasted resources.

Lastly, as we have seen with the locust situation, the disasters on the African continent can involve more than one AID geographical bureau. This is caused in part by the fact that AID includes North Africa in the Asia Near East Bureau. (OFDA, by contrast, includes all of the African continent and Europe in its Africa Division). This sometimes makes coordination of a response to a disaster more difficult as two geographic bureaus become involved in joint programming and budgeting -- something that is rather rare in AID. It is easier, especially if the response time is short and fast decisions are needed, to ask OFDA to take on the task. The present locust disaster is an interesting case in point.

The increased magnitude of involvement in Africa has been problematic for OFDA. Its preferred operating mode is "quick-in and quick-out." Its legislation is drafted with earthquakes in mind, not multi-year droughts and displaced people. Given the relative financial, technical and resource poverty of governments in Africa, it is difficult to find indigenous offices and

...to hand the job over to once the initial disaster period is over. Governments tend not to be very cooperative, knowing they do not have the resources to take over the task.

AID missions often shy away from relief/recovery work since it is not in the mainstream of their development programs, and the same is true for other donors. In effect OFDA often finds itself "hooked", unable to extract itself from a disaster-relief-recovery-rehabilitation situation in Africa because there are no entities to hand off to. Or, as in Mozambique, the disaster-emergency phase seems to go on forever because the genesis of the disaster is war, not a one-time event like an earthquake. And the war -- as much aimed at innocent civilian targets as combatants -- seems to have no end. Not being able to extract itself, OFDA sees an ample share of its budget seemingly tied up in Mozambique (or Ethiopia) year after year.

OFDA in Asia and South Pacific

Geographically speaking, ASP covers the largest area of the three operating offices of OFDA. Even so, there is considerable similarity between ASP and the Latin America problems. Except for some infestation problems in the North African region, most of ASP also faces the classic rapid-onset disasters (earthquake, volcanic eruption, typhoons and floods). Of these disasters, especially those occurring in East Asia and the South Pacific, most relate to weather patterns. This aspect is important because it brings predictability to the equation. And this predictability brings the possibility of planning for preparedness and mitigation -- a starting point for the development of a long range strategy statement. OFDA has a good handle this issue. Their job now is to wrap their early warning system into, and articulate, a long range strategy for the region.

Another similarity with the Latin American situation is that ASP also has a high commitment on the part of many of the more disaster prone country governments to improve their disaster management capabilities. Partly through earlier OFDA efforts in preparedness training, the Asians themselves fund 40% of their own disaster assistance. This provides a solid platform for OFDA to continue the establishment of a strong preparedness program.

A missing element in the ASP region is a well established regional adviser similar to those sited in Costa Rica and Peru. Presently there is one adviser in Bangkok, albeit new to the operations and not fully tested under fire. There is also a recently vacated position in Fiji. There is now an opportunity to build-up the Bangkok advisory position to function in a fashion parallel to the Latin American program.

The elements of a good preparedness and disaster response program exist for the Asia area. Predictability fits well with early warning weather systems. A strong host government interest exists; thus in many countries local institutions dedicated to disaster relief can help with the job. And a core regional advisory position has already been established by OFDA. All that is needed now to make this a highly responsive system is a good regional strategy statement.

CONTRACTING ISSUES

Contracting Support

One of OFDA's recognized strengths in dealing with disaster assistance is its ability to make immediate contractual commitments on-the-spot for goods and services. This quick response is provided through a special authority contained in FAA Section 491 to sign contracts and grants during a declared disaster without the need for full and open competition. Handbook 8, Foreign Disaster Assistance, provides information on OFDA's obligation and emergency procurement authority which for obligations is set at \$3.0 million on host country grants and for emergency acquisition at a \$500,000 per disaster. This procurement limitation, however, presently is not viewed as a constraint (or even a limit) by the two OFDA contracting officers. No misuse of this special authority has been noted. However, caution should be exercised by the OFDA contracting staff not to exceed the authorities delegated by the Administrator.

Within 15 working days after the declaration of a disaster by an Ambassador, the initial emergency procurement orders entered into by OFDA must be fully documented, confirmed and signed. Some delays in completing documentation was observed, and while not a serious oversight, greater effort should be made to follow this 15 day limit. The Office of Procurement, AID/W Projects Division (SER/OP/W) provides contracting services for OFDA both for certification of emergency procurement and for full contracting service for routine actions.

Obviously, OFDA's rapid contracting mode is one of the necessary elements for maintaining an effective fast-acting organization able to respond to disaster assistance requests. At present OFDA considers SER/OP/W as being responsive to its needs, but the arrangement by which contracting services are provided is not found to be fully satisfactory. It is OFDA's perception that approximately 60% of the time of SER/OP/W/CO (the Washington Central Office branch) is devoted to OFDA actions. This naturally leads to the question of whether it would not be better to initiate an in-house contracting authority as a substitute for continuing to rely upon the services of SER/OP. Upon investigation, we find that only 25% to 30% of the time of SER/OP/W/CO (a five person office) is devoted to OFDA activities.

The Assessment Team concludes, therefore, that current arrangements are adequate. Contracting authority should remain in SER/OP. Our opinion is supported by the following additional assumptions:

- The OFDA contracting work load varies considerably between times of disaster and non-emergency periods. With such a variance, contracting services can best be provided through the flexibility of a multi-person technical office such as SER/OP.

- SER/OP appears to be adequately responding to most of OFDA contracting needs in a timely fashion, although examples can be found where both SER/OP and OFDA in turn were responsible for delays. However, to assure this service continues, SER/OP has assigned one individual to work at the OFDA office two days per week. However, one day a week appears to be sufficient to handle most of OFDA's normal contracting needs. Thus contracting can be handled without relocating this function to OFDA. But OFDA still feels that its contracting needs are not being met. The Director makes the point that it is difficult to assign tasks to a "floater" from SER/OP and that if a full time contracting officer were to be located in OFDA, the work load would be there. The person who comes from SER/OP weekly might not always be occupied on that day, but neither is the contracting work up to date. In this case, OFDA should determine the source of the difficulty. Is all available work given to the SER/OP person? Is there a problem in communication between the SER/OP and the OFDA contracting officers? These issues should be resolved rather than assuming that contracting responsibilities should be changed.

If contract actions were performed by placing a contracting officer administratively within OFDA, a useful link with AID would be lost. As it is, OFDA has two individuals, in addition to the Director, with special emergency contracting authority to cover the first 72 hours of a disaster until SER/OP can assign a Contracting Officer to the disaster team. Unfortunately, SER/OP has not been able to assign a person to sit full time with each disaster team and follow actions through to completion on the spot. OFDA does have a legitimate complaint when SER/OP is unable to assign staff to work with OFDA on the larger disasters. All contracts/grants (normally verbal) entered into by OFDA during this initial emergency period of a declared disaster are later subject to SER/OP written confirmation. Records indicate that some past actions entered into during periods of intense emergency activities, in fact, needed to be adjusted during the follow-up period. This is to be expected; but greater understanding of the consequence of using different forms of

contracting (fixed price, fixed plus variable price, reimbursable, etc.) and a more consistent presence of SER/OP at OFDA could reduce follow-on problems.

One example was the fixed price contract with T&G Aviation to cover pesticide spraying services for Senegal. When the contract personnel arrived in Senegal, they found that the area to be sprayed was much smaller than anticipated. Their contract was modified to cover an area in another country not originally contemplated under the initial arrangement. In confirming the contract, differing opinions of what was a fair and reasonable price developed between SER/OP and OFDA. A different form of contract probably would have reduced this contention. In another case, an agreement was worked out between OFDA and SER/OP before work began on a contract. This was for flight services in Morocco by Altair. Because of the uncertainty as to what the scope might ultimately be, a fixed and variable rate contract was used. Contracting was easier and implementation smoother.

These examples are not provided to detract from the need to maintain the existing limited authority presently exercised by OFDA, but it does indicate that an outside review process is of value in bringing a balance to emergency contracting. It also indicates that refresher contracting courses would be of value to OFDA staff, especially those holding Contracting Officer Warrants. Several such training course (all short term) offered by SER/OP which could be of special value are:

- Procurement for Non-procurement Personnel
- Small Purchase Procedures
- Cost and Price Analysis
- Contracting by Negotiation

Admittedly, using a separate contracting officer would mitigate problems which arise as the result of the differing perceptions of OFDA and SER/OP -- the pressures on OFDA to get the job done at any cost as opposed to the more detached view of SER/OP when it is not solely concerned with the immediate emergency situation. This is not to infer that we found any substantial problem in the exercise of OFDA's emergency contracting authority. Nor could we determine, however, that having the check-and-balance in place, as constituted by SER/OP's confirming authority, ever resulted in a serious delay in OFDA's rapid response. In an area as sensitive as contracting, reviews are useful even when they add to the work load.

Contracting Attitudes and Responsiveness

No specific recommendations are made regarding concerns expressed by other offices of AID about OFDA staff attitudes and responsiveness on contracting issues. We bring the following issue to the Director's attention so that a review can be

initiated at the office management level.

Specifically, the perception by others is that OFDA, in exercising its emergency powers, sometimes leans in the direction of being beyond the federal government requirement to apply FAR and AIDAR rules and regulations. The Federal and AID Acquisition Regulations (FAR and AIDAR) provide procedures for government contracting officers to follow. Except in rare circumstances, there is a requirement to compete new or continuing contract services. These can seem burdensome, but when something goes wrong, we see their value. Contract information becomes part of the public domain.

A recent example of OFDA-SER/OP differences arose in the handling of the competitive procurement to rebid the New Windsor contract under which services for stockpile maintenance are obtained. In the rebidding for the New Windsor services, it appears that OFDA did not appreciate the need to follow the FAR and AIDAR procedures. When SER/OP concluded that the previous contractor failed to be responsive to the terms of the scope, there obviously was disappointment within OFDA. Rather than accept the established procedures that are required of all federal agencies, OFDA tried to stop the normal process of contractor selection.

We need not debate the pros and cons in this particular case, but we do need to pursue the greater issue: Is there an adequate understanding of how and when FAR procedures are to be used? OFDA wanting to work with a known source that has performed well is natural. Frustrations do develop when regulations get in the way. It is obviously difficult to switch back and forth between flexible emergency procurement rules and those that apply for routine actions, but that is a role which OFDA is required to play. There is a need for OFDA to develop more appreciation of AID programming and procurement procedures as these apply to non-emergency type activities such as stockpile surveillance and preparedness.

Grant Issues

The Assessment Team questions whether the concepts behind the use of grants are fully understood by the OFDA staff. Basically, a grant is an assistance instrument used by AID to support or stimulate a grantee's own program or project in order to accomplish an AID purpose. Under a grant, the grantee has considerable freedom to pursue its own stated program, without substantial involvement by AID during the performance of the proposed activity. With the use of a grant, AID is looking for a best efforts performance. One should not lose sight of the fact that grants are target or goal oriented, whereas, a contract is a procurement instrument used to acquire specific goods or services specified by AID in support of its programs or projects. In this

latter case, AID retains the right to exercise administrative, contractual, or legal remedies for breach of the terms.

Cases have been found by the Assessment Team where too much micro-management of grants is taking place. This practice is not only time consuming but one can lose sight of the main purpose of a grant. When OFDA has determined that it will support a grantee's own program, with this determination comes the need to accept the grantee's established program and procedures as an appropriate means of reaching one of AID's objectives.

One example of micro-management is the Commonwealth of Virginia grant under which OFDA apparently requires prior approval for expenditure of almost all funds. Once notified of a better funding instrument to achieve OFDA's goal, a Cooperative Agreement replaced the old Grant. This type of involvement in a grantee's operation is contrary to the grant concept as detailed in Handbook 13. Moreover, it distracts staff from other more important activities. There seems to be a feeling that grantees are out to gouge AID. If this is the case, then far more effort should be applied to reviewing a grantee's program and goals, thereby assuring that the program will meet AID purposes. If it does, then the grantee should be given the flexibility to carry out its program. Conversely, if the regular program of the grantee does not meet AID objectives, but the organization has the ability to do so, then the contract instrument should be used insofar as it gives AID the ability to direct the contractor's work.

The OFDA role under grants should be to define targets and goals rather than to engage in detailed scrutiny of operations once the grant is made. The Assessment Team recognized that many PVO's fail to submit proposals in sufficient detail to allow AID to conduct a proper analysis of their anticipated expenditures. In those cases OFDA should return the proposals for further development. Of course, this is very difficult in an emergency response period. However, more pre-disaster collaboration between OFDA and key PVO's in the target countries could improve the quality of proposals and relief programs. Also, there may be a tendency for PVOs to use emergencies as a means to shortcut the system by submitting a proposal devoid of detailed costs in the hope that the emergency situation will act as a cover for inadequate programming. While a number of OFDA grants fall within a true emergency category, in many cases, preparedness grants do not. In these instances, the need for haste and abbreviated procedures is not always apparent.

PERSONNEL, STAFFING AND ORGANIZATION

The Assessment Team was asked to review (1) current staffing levels as related to the growing workload, (2) position descriptions as they reflect the actual level of responsibility

exercised, and (3) career advancement opportunities for OFDA personnel, including excursion placements elsewhere. The Team also reviewed the OFDA staffing and organizational structure and attempted to put them into the perspective of the programmatic issues which OFDA faces.

In reviewing staffing and organizational structure, the Team did not see a compelling need for additional staff resources. The present authorized staffing level of 21 FT positions and 3 part-time positions, supplemented by 3 RSSA employees from the Department of Agriculture (Forestry), 1 detailed from Federal Communications, 1 from Public Health, 9 contract employees under Labat Anderson International and 9 PSCs located abroad appear to be sufficient resources -- provided the programmatic issues recommended in this report are addressed. With a program such as that administered by OFDA, it is not possible to prescribe a personnel level any more than it is to determine how many disasters will occur in a year. As it reviews and modifies its portfolio of preparedness projects, OFDA might find that the shifts to operational preparedness recommended in this assessment will reduce demands for personnel.

In terms of the OFDA organization structure, the Team suggests that the following measures be considered in order to strengthen and improve the overall operations of OFDA:

1. Remove from the Operations Support (OS) Office all of the administrative management functions (OE funded activities, e.g. personnel, budget, space, and related internal support activities) and create a separate staff office, reporting directly to the Deputy Director and consisting of the Administrative Officer and a GS-08 Admin Operations Assistant. The Deputy Director is a Foreign Service employee with a strong management background whose assignment in OFDA runs through August 1990. Therefore, OFDA can benefit from his presence through the transition during which it adopts any of the changes in program and structure recommended in this assessment. The current Deputy can provide continuity and institutional memory, particularly critical inasmuch as the Administrative Officer is an AD employee and thus vulnerable to change. Any subsequent Deputy should have the same background as the current one -- foreign service and management experience.

2. Structure the Operations Support Office with a specific focus to serve as a Program Office, namely, providing the focus within OFDA for policy formulation, program strategy, contingency planning, program budget, Congressional presentations, position papers, etc. This would require the transfer of the Physical Scientist position, in which many of these activities are vested, from the Asia/South Pacific Division to the OS Office. We see no reason for this position being located in a Regional Division. High priority should be placed on attracting Foreign Services personnel with strong program officer

backgrounds to strengthen this aspect of OFDA operations. Within the Operations Support Office we note some fragmentation of duties, e.g. two positions involved in stockpiling activities. These functions, we believe, would be better served by having all the stockpile responsibilities vested in one individual.

The Operations Support Office is responsible for maintaining "a list of specialists for rapid TDY deployment in response to requests for assistance from U.S. Ambassadors." We suggest that this Office update the list of designated Disaster Officers located overseas and insure that contact is maintained with them, possibly through issuance of briefing and educational materials that might also be forwarded to Program Offices in all the USAID Missions. The Operations Support Office should have responsibility for training and certifying MDRO's. OFDA should establish a particularly strong link with those overseas A.I.D. Missions in apparent disaster-prone countries where OFDA has not been active during the past three years.

3. The section of this report dealing with financial management includes a proposal for having the regional divisions of OFDA track obligations and expenditures for grants and contracts. This suggestion fits quite well into a balancing of functions among the sections and personnel of OFDA.

4. OFDA should utilize PSC personnel assigned abroad on a regional basis whenever possible. The team noted, for example, that OFDA has a PSC located in Mozambique and another in Malawi. As missions in AFR assume greater responsibility for long term disasters, the need for OFDA to assign PSC's to country programs on other than a TDY basis should decrease. At this point, better utilization of contractors can be achieved by placing them in REDSO's. We assume the PSCs located elsewhere (4 in San Jose, Costa Rica, 1 in Lima, Peru, 1 in Bangkok, Thailand, 1 in Suva, Fiji) are utilized to cover regional disasters. (See the section on preparedness for details on this recommendation.)

5. A random review was made of OFDA position descriptions. They were comprehensive and sufficiently descriptive to provide us with the nature of their respective functions. Discussions were also held with the Classification Division of PFM where we learned that an in depth analysis of the functions of the Disaster Operations Specialists was made in 1985. As a result, the journeyman level of these core positions was upgraded from GS- 12 to GS-13, bringing them in line with the comparable level of responsibility found in the core positions of other central offices/bureaus such as S&T, FVA, PRE and PPC.

Because OPM has not published specific classification guidelines to cover the titles of positions found in OFDA, the Agency utilizes the GS-301 Miscellaneous Standard for purposes of assigning a classification series to the OFDA core positions. This standard requires "discretion and knowledge of a substantial

body of administrative or program principles, concepts, policies and objectives" which is typical of the requirements of most professional positions within the 300 series, e.g. Program Analysts, Management Analysts and Special Assistants serving such ranking officers as the Administrator and Assistant Administrators. Therefore, Disaster Operations Specialists are serving in a series which provides sufficient flexibility for them to compete for positions elsewhere in the Agency should they choose to do so. Whether the title, because it reflects a specialized function, hinders employees when seeking positions elsewhere is difficult to assess. PFM/PMC determined the title for lack of a better one, but OFDA is free to recommend an alternative title that might make its officers more competitive if they wish to bid for positions outside OFDA.

6. The Team believes it is important to incorporate more Foreign Service personnel into OFDA. Presently OFDA has three positions designated "F" for foreign service incumbency and has four foreign service employees on board. The Team understands that all central bureaus/offices experience difficulty in attracting FS employees to their respective organizations. This is a two-fold problem:

(a) The perception of Foreign Service employees that opportunities to subsequently serve in the better overseas posts that provide greater career and promotional advantages are dependent upon gaining recognition through on-site performance in the Regional Bureaus, and

(b) OFDA, like the other central bureaus/offices, does not have the bargaining chips to negotiate trades, etc. with the regional bureaus in garnering Assignment Board votes.

Having recognized this, the Team emphasizes the value not only to OFDA but also to the Agency of a greater Foreign Service presence in central offices. The experience of the FS officers not only would enhance the work in OFDA in foreseeing the problems of working with host governments, but they would also serve as a valuable bridge for the regional bureaus as they assume greater responsibility in disaster relief. Previous audit reports have indicated inefficiencies on the part of the regional bureaus and missions in dealing with the intermediate but contiguous reconstruction phase of a disaster in the year or two following its occurrence. The team believes that Foreign Service employees located in OFDA would bring more sensitivity within missions to the programmatic shift from relief and rehabilitation to reconstruction as it occurs.

The Team has heard the suggestion that Foreign Service employees be detailed to OFDA from the regional bureaus for short periods of time. This might be useful to OFDA but it would probably be seen by bureaus as detrimental to job continuity. It should not be considered a long-term solution to OFDA's problem.

The Team understands that the low profile of Foreign Service employees in the central bureaus/offices is a matter of senior management concern and will be discussed at that level.

PROGRAMMING, BUDGETING AND FINANCIAL MANAGEMENT

In its many interviews the Team heard a spectrum of views from within and without OFDA regarding the need for improvements in the ways in which OFDA programs, budgets and tracks its funds. For several years OFDA's regular International Disaster Assistance (IDA) budget has been authorized at a level of \$25 million. With the exception of PPC, all believe that the annual appropriation for the OFDA budget was far too low. Actual obligations of funds from all sources by OFDA for U.S. foreign disaster assistance looks like this for the 1980's:

Fiscal Year	Total OFDA Obligation
1980	\$81.2 million
1981	58.4 million
1982	61.8 million
1983	91.2 million
1984	66.5 million
1985	124.8 million
1986	88.3 million
1987	156.3 million

There has been, obviously, not much relationship between the OFDA budget and the necessary level of obligations in any given year. The difference between what is budgeted and what is actually obligated tends to distort the budget process at least insofar as it results in a request level for OFDA in the Congressional Presentation which is known to all to be far short of actual need for disaster assistance funding as determined by long-term experience. No savings in any real sense are incurred by underbudgeting OFDA year after year and making up the difference by taking funds away from geographic bureau development accounts. The outcome is inevitably OFDA's having to use its borrowing authorities all that much sooner and in larger amounts, thus creating unnecessary friction with the geographic bureau that loses its appropriated funds to OFDA -- usually Africa. The Team therefore concurs with the AID Administrator's recent decision to increase OFDA's 1990 Congressional Presentation budget level to \$40 million and believes that a strong case should be made to the Congress to approve this higher level as a long-overdue step in the right direction.

The discrepancy between the OFDA budget and actual obligations is so great that budgets have become little more than

illustrative notions of the USG commitment to disaster relief. The conclusion this all leads to is that disasters cannot be budgeted. In some respects one budget figure is as good as another. AID should approach this issue with a view to budgeting in a way that reduces inter-office tensions over funds. The proposal for a \$50 million revolving fund has already been set forth in a previous section of this assessment.

Once the budget has been sent to Congress, reviewed, and funds for a given fiscal year appropriated, OMB apportions the release of obligating authority to OFDA in a series of tranches. From the OFDA perspective there is unhappiness because OMB's system of periodic apportionment keeps OFDA's unobligated balance at approximately \$4 million. This restiveness was particularly aimed at what they regard as excessive PPC and OMB zeal for detailed justification for replenishments, and requests for information which OFDA believes to be excessive and unrealistic, given the uncertainties associated with the disaster response dimension of much of OFDA's business.

From the PPC and OMB perspective, OFDA is viewed as constantly "over-obligating" its IDA funds for preparedness/mitigation and even for disasters. OFDA usually has an obligated but unexpended balance that PPC and OMB considers excessive. In fact, the OFDA posture is seen as one of "squirrelling" away funds in preparedness activities as a hedge against the exigencies of sudden disasters. They believe it is possible to obligate incrementally for disasters rather than to lock up the estimated total requirement up front for a particular disaster. This approach is seen as moving OFDA much sooner in any given fiscal year into a "borrowing" mode. In a period of government wide budget stringency, OFDA is viewed as a potential "budget-buster" because of its legislated borrowing authorities and because of the inclination of Congress to vote supplementals for unforeseen, major foreign disasters. As a result, there is a strong urge in both OMB and PPC to want to keep OFDA on as short a funding leash as possible, hence the present system of incremental apportionments, and allotments.

The Team believes that the present \$4 million in discretionary obligation authority is sufficient. If there is need for additional funds in a rapid-onset emergency, then the current system whereby the Director, OFDA secures additional authority should be capable of responding immediately to the Director's request. In theory, the present apportionment process is supposed to provide replenishments within 24 hours from the time OFDA makes the request to OMB. The actual practice, according to OFDA, is more like four days. An OMB official told the Team that a system could be established whereby the OFDA Director could secure additional funds with a telephone call at any time, night or day. We recommend that such a system for the rapid granting of additional obligating authority be worked out between OFDA, other involved AID entities and OMB and approved by

the Director, OMB and the A.I.D. Administrator.

There was general agreement among those interviewed that OFDA needs to improve the way in which the office programs and accounts for its funds. Presently OFDA funds come from its annual International Disaster Assistance (IDA) appropriation, special supplementary appropriations, legislated "borrowing" authority from other AID accounts and deobligations/reobligations of funds from these three sources. IDA and supplemental funds are "no year" (available until used) while funds that are borrowed from DA functional accounts are one year funds that must be obligated in the same year as they are appropriated. This, too, leads to the reserving of IDA funds while "borrowings" are spent.

The accounting systems needed to record and track obligations and expenditures are complex. Obligations are often made under OFDA's expedited disaster authority -- often on the basis of a telephone call. In some cases, according to FM, they are not adequately recorded and documented. The problems are enormous for those who must subsequently track these obligations, appropriately record expenditures against the correct obligation, determine which organizations and individuals have been granted the funds -- and under what terms of reference -- and, finally, get these entities to provide the vouchers and other billing documents in a timely fashion. We are told that the submission of vouchers by many PVO's may not occur for more than 18 months after the work is completed. Bills from the Department of Defense can take years to be submitted to AID for payment and, in fact, there are instances where billing from DOD for some activities has never been submitted even after repeated requests from AID. In some cases, AID has finally deobligated funds for use elsewhere because DOD has never gotten around to submitting the billing for tasks done.

There are no easy solutions to these problem. They stem from the rapid response mode of OFDA's operations and the necessarily ad hoc nature of disaster assistance itself. Nevertheless, there is a need for OFDA and FM to insure that AID's system for recording and tracking obligation and expenditure of OFDA funds is as accurate and as up-to-date as possible. We believe that much can be done to implement improvements. Problems of timely recording of obligation and postings are particularly acute with regard to Ambassadors' disaster money -- the \$25,000 automatically made available to Ambassadors with each disaster declaration. Embassies and AID Missions are lax in providing FM with the necessary documentation to enable FM to record expenditures against these accounts.

In order to put pressure on field posts to do a better job in this regard, OFDA has recently decided to reserve funds rather than obligate them on the basis of a disaster declaration and has notified field posts that, unless all the necessary documentation is received in Washington before the end of the fiscal year in

which the disaster is declared, the fund availability will lapse, no obligation will be recorded, and payment of the bills will be the field's, not OFDA's responsibility.

It is the Team's view that the OFDA geographic divisions must take greater responsibility for tracking obligation status, source of funds and the status of expenditures for all obligations including those related to preparedness/mitigation and stockpiles in their geographic area. If these divisions are not receiving sufficient information from PVO grantees, contractors, and other US Government agencies, including DOD, it must be their responsibility to notify these organizations of the need to provide vouchers and other billing data on a timely basis and to continue to follow up until this is done.

There is a substantial need to clean up the books with regard to unliquidated obligations. While it is difficult to determine just how much of the unliquidated balances could be made available for deob/reob, there is a suspicion in PPC and OMB that a substantial savings in NOA could be achieved by closer attention to obligations, expenditures and the unliquidated balances. In terms of projecting an image of "we're doing all we can to reduce the need to use NOA funds" OFDA should be diligent in the extreme in deobligating unneeded funds for reobligation elsewhere in the OFDA portfolio.

INFORMATION SYSTEMS

Another aspect of financial management which needs attention, and one where OFDA is anxious for progress, is in the area of data and information automation. OFDA desperately needs a data management system (DMS) to enable it to record and track its activities, their financial status, contracting status and trends. In addition OFDA's system needs to interface with AID's MACS financial system and PPC's budget system resident on the Agency's mainframe. This is an exceedingly important feature of the information system to which PPC is sensitive. Priority should be given to adopting a system that allows full access to OFDA's financial information.

Recently IRM financed a study of OFDA's DMS requirements by the IQC firm of Deloitte, Haskins and Sells. In terms of describing the problems and the type of DMS that would be required to handle OFDA's requirements, the Team believes Deloitte has generally done a good job. The Team does not agree, however, with some of the Deloitte recommendations or some of the assumptions that gave rise to those recommendations. Deloitte has recommended that all of OFDA's financial tracking be done on a single stand alone microcomputer. The major assumptions underpinning this recommendation are that very few OFDA personnel are involved with financial information and that the principal need for a DMS is for tracking financial information -- sources

of funds, obligations and expenditures, plus tracking of contracts information -- which are basically within the purview of a single division in OFDA.

The Team believes that such an approach would tend to perpetuate rather than solve the problem of improving OFDA's financial management capabilities. We believe, as stated above, that the geographic divisions need to be responsible for tracking the obligation and expenditure of funds for all activities within their geographic portfolio. To do this requires that they have access to and understand how to use the DMS. Further, the Director, Deputy Director and other professional members of OFDA also need to be able to access information directly for their own needs without having to ask someone else to obtain the information from the system for them.

We further believe that the system ought to contain several separate databases or relational tables in a single database which provide all the information and data needed to deal with particular disasters -- names and telephone numbers of experts, PVO's, other organizations involved in particular types of disasters, perhaps files of data regarding past disasters, etc. OFDA already has much of this capacity. In other words, there is a need to install a relatively powerful system and then use it to the hilt to help speed up and otherwise make more effective the US Government's actual disaster response mechanism.

The system needs to be networked so that as many officers and staff of OFDA as possible have workstations in their own offices and are able to interface with the data quickly and easily. It strikes us that the office in the U.S. Government solely responsible under the authority of the President for responding to fast breaking disasters and emergencies ought to be well-served by appropriate computer-based technology in order to speed our response, reduce the chance for error, and allow for both this efficient tracking of actions the financial status.

We therefore recommend that AID provide OFDA with something akin to a Wang VS mini-computer system capable of supporting approximately 25 users. The system should be linked to the Agency's mainframe and into OFDA's existing Wang OIS system, which would continue as the principal word processor. A contractor should be hired to develop the integrated software system, oversee installation and provide training and continuing support to OFDA personnel in its use.

In a related area, communications, OFDA should selectively invest in portable communications equipment for use in disaster situations, especially in the field. Best intentions aside, it is often difficult for missions and embassies to properly equip and include OFDA personnel in existing nets. The problem is exacerbated when host country infrastructure or USG communication capabilities are damaged or overloaded. For an office which is

in urgent need of accurate information in a disaster, OFDA (and AID/W in general) cannot tolerate breakdowns or delays in communicating with their field teams. Obviously, before deploying equipment with OFDA personnel, consultation with the Ambassador of an affected country will be necessary. With appropriate notifications and clearances, however, we believe that most Ambassadors would welcome the enhanced capabilities during a disaster response.