

PN-ABQ-489

**SUMMARY OF INFORMATION TO ASSIST A.I.D.
IN THE DEVELOPMENT OF A MIDDLE INCOME
COUNTRY STRATEGY
(Project No. 930-0092)**

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Contract No. PDC-0085-I-00-9089-00
Delivery Order No. 18

September 27, 1991

LIST OF ACRONYMS AND ABBREVIATIONS

ADC	Advanced Developing Country
ACE	American Council on Education
A.I.D.	Agency for International Development
ANE	Bureau for Asia and the Near East
ASEAN	Association of Southeast Asian Nations
ATP	Aid and Trade Provision
BIRD	Israel-U.S. Bi-national Industrial Research and Development Foundation
CDSS	Country Development Strategy Statement
CINDE	Costa Rican Coalition Development Initiative
CRSP	Collaboration Research Support Program
DAC	Development Assistance Committee
DFA	Development Fund for Africa
DEC	German Finance Company for Investment in Development Countries
EEC	European Economic Community
EC	European Community
ESF	Economic Support Fund
FVA	Bureau of Food for Peace and Voluntary Assistance
GNP	Gross National Product
HIG	Housing Investment Guarantee
ICMA	International City Management Association
ICS	Institute for Contemporary Studies and Corresponding Institutes
IIP	International Investment Partners
LAC	Bureau for Latin America and the Caribbean
LADF	Luso-American Development Foundation
MC	Middle Income Country
NAS	National Academy of Sciences
NCBA	National Cooperative Business Association
NGO	Non-Government Organization
NSC	National Security Council
ODA	Official Development Assistance
O.D.A.	Overseas Development Administration (UK)
OECD	Organization for Economic Cooperation and Development
OMB	Office of Management and Budget
OPIC	Overseas Private Investment Corporation
PPC	Bureau for Program and Policy Coordination

PRE	Bureau for Private Enterprise
PVO	Private Voluntary Organization
RI	Rotary International
STC	Science and Technology Cooperation Program
TC	Technical Cooperation
TDP	Trade and Development Program
UNESCO	United Nations Educational Scientific and Cultural Organization
USAID	U.S. Agency for International Development
USG	U.S. Government
WWF	World Wildlife Fund

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I. OVERVIEW

A. Background on the Assignment

In July 1989, A.I.D. contracted with Devres, Inc. to "Assist A.I.D. in developing policy to cover both advanced developing countries (ADC) and those transitional developing countries that are approaching ADC status. A.I.D.'s current strategic approach to these countries is insufficiently broad."

The scope of work for the assignment included document review and interviews of key individuals inside and outside of A.I.D., organization and conduct of three "brainstorming" meetings and the preparation of a draft strategy paper. The work was to be complete prior to the end of October 1989.

As A.I.D.'s senior management and other A.I.D. staff began to revisit ADC policy, the initial scope of work was revised and expanded. The additional effort included the conduct of four additional meetings with individuals within and outside of A.I.D. and the conduct of a more extensive set of interviews of individuals outside A.I.D., including other donors. The additional work was to be completed by January 31, 1990.

The efforts under the initial and the second scope of work resulted in extensive analysis of appropriate means to identify or classify ADCs¹ and in the development of options for A.I.D. to consider in further shaping its MC strategy. By design, these two products did not include a detailed write-up of many ancillary results of Devres' work under the two contracts. A.I.D. believed, however, that some of Devres' ancillary findings and conclusions could be of substantial further benefit to it as an MC strategy was developed and refined. Consequently, A.I.D. prepared a scope of work under (see Annex 1) which it asked Devres to formalize in writing other parts of its efforts under the earlier two scopes of work, as follows:

- o Potential organizational and funding mechanism options for implementing an MC strategy;
- o Approaches to MCs used by other developed countries; and
- o Perspectives of A.I.D. staff from other sectors and bureaus on MC strategy.

¹Advanced developing countries, during the course of the extended assignment, became known as Middle Income Countries, or MCs. Thus, for the remainder of this paper, ADCs are referred to as MCs. The working definition of the two terms within this paper are synonymous.

Devres met with the A.I.D. Project Manager regarding the scope of work. It was agreed that the report to be prepared would provide practical and detailed information that would be useful to anyone in A.I.D. who was responsible for or concerned with shaping or implementing A.I.D.'s MC strategy. The essential ingredient of the report was to be a summarization of all relevant material under each of the three points in the scope in a way that brought it to the attention of and made it easily available to interested A.I.D. officials. Rather than formulate the paper around specific issues, Devres and the Project Manager agreed to develop a chapter of the report around each of the three points in the scope. Each chapter would contain as much practical and relevant information as Devres staff could garner solely from the information available to it from its prior two MC assignments. No attempt was to be made to expand or update the information available to Devres to complete the current assignment.

B. Procedure

In carrying out this assignment, Devres' staff reviewed and organized all documents and interviews, meeting and telephone conversation notes obtained during the previous two MC assignments. A few A.I.D. written communications regarding MC strategy that came to Devres after the two prior MC assignments were completed, but as a direct result of its prior work, were also included in the data base summarized in this paper.

Drawing on the above sources, Devres' team members extracted relevant information in each of the three areas included in the scope and prepared an outline of each of the chapters in the report. It then prepared written drafts of each chapter, subjected them to the review of others on the team, and developed the final chapters included in this paper.

Most of the documents and written notes available to Devres could be attributed to specific individuals. Much of the information reported in the prior two assignments, for example, was so attributed. However, many interviews and telephone conversations were not explicitly "on the record." Thus, the procedure used in this paper was to summarize comments made without attributing them to a specific source.

In reporting bureau or sector "perspectives" in Chapter III, there were frequently many different sources of information (individuals) available to draw from. Because the initial gathering of data was not organized to produce an agreed organizational unit perspective, many individuals spoke for themselves, in part, and for their organizational unit. Thus, both in reality and in this report, there is not a complete harmony of views expressed within or for each organizational unit. Also, in group meetings, individuals from other organizational units often spoke up with respect to matters raised by those from other units. Nevertheless, to be consistent, we retained and summarized the comments made under bureau and sector headings--even when bureau or sector viewpoints expressed by different individuals were not consistent.

II. MC PROGRAM MECHANISMS

A. Introduction

While A.I.D.'s present program approach to MCs functions primarily through assistance administered by USAID Representatives and local hired staff (e.g., Brazil, Colombia, Mexico, Paraguay and Uruguay) and USAID Missions (as in Thailand), the private sector, PVOs, universities and certain public sector institutions are successfully working with and developing mutually beneficial relationships with MCs through numerous alternative mechanisms. These mechanisms all share three basic characteristics:

- o **Joint Decision-Making**--They involve both U.S. and MC representatives. These representatives may be drawn from government services, business, the university community, research institutes, PVOs or other areas.
- o **Simplified Procedures**--Procedures must be simple and straight forward. Grant rather than contracting procedures are preferred since they are simpler and more consistent with the concept of support programs of mutual benefit to the participants.
- o **Joint Funding**--The concept of shared contributions is established from the beginning. Contributions from the MC government and/or the MC institution are expected. Additional funds are sought from sources outside of A.I.D. including:
 - Other bilateral and multilateral donors;
 - International research institutions, universities and private research and development organizations;
 - Business firms, foundations and private, voluntary central and regional bureaus;
 - The Trade Development Program (TDP), OPIC and other related programs; and
 - The technical services programs of various U.S. Government Departments and Agencies.

There are many models of MC program mechanisms currently in use, any one of which can be adapted to meet the various requirements of specific MCs. These models, which are essentially channels for finance, include joint foundations such as the Israel-U.S. Bi-national Industrial Research and Development (BIRD) Foundation and the Luso-American

Development Foundation; PVOs such as the International Executive Service Corps and the World Wildlife Fund; and various collaborative foundations which focus on specific topics such as the Indo-U.S. Task Force on Immunology of Reproduction. The particular characteristics of each mechanism depend largely on the specific legal and other considerations that are unique to a specific country and to the specific programs it is designed to support. In fact, more than one model may be required in a given country to accomplish the purposes of the MC program.

The majority of programs through which MC program activities are implemented can be classified as adaptations of one of six basic conceptual mechanisms: twinning; wheel-and-spoke linkages; one-to-one relationships (as between universities and scientific institutions); national foundations; external (international) foundations; and technical/cultural exchanges. The characteristics, strengths and weaknesses, and representative organizations associated with each of these models are summarized in the following text. (For a list of representative organizations contacted, see Annex 2.)

B. Twinning Model

1. Characteristics

The twinning model is characterized by the establishment of partnerships, or "twinning" chapters, which link communities in the U.S. with communities in MCs. The Rotary Club Foundation, the Partners of the Americas, and the Jaycees are examples of organizations which operate through the twinning mechanism. This model is structured around a U.S.-based membership organization whose local and foreign member chapters fall under the regulations of the overall organization. National U.S. and foreign offices facilitate the creation of links between local chapters of a large organization. Once the links are established, the U.S./MC chapters maintain the links without much administrative assistance from their respective national offices. Personal communication and contact between members of twinned chapters is stressed. Funding for community development or training projects comes from the fund-raising activities of the twinned chapters. Local chapters carry out their own fund raising activities. Rotary clubs, for example, may petition the Rotary Foundation for matching grants.

2. Strengths and weaknesses

The principle strength of the twinning mechanism is that the chapter-to-chapter links created are extremely effective, leading to sustainable relationships and efficient assistance.

A constraint to the broad application of twinning as an MC program model is that it is not easily transferrable to organizations which do not have a worldwide membership regulated by one set of by-laws and one board of directors.

3. Representative programs

a. Partners of the Americas

The Partners of the Americas creates local, community-based partnerships between states in the U.S. and Latin American countries. Each partnership is established and works within its own by-laws. Decision-making is decentralized, taking place at the partner level. Partners call on the Washington, DC headquarters only for coordination, once a particular action has been decided upon. The partnerships work in a wide range of areas including health, education, training and the development of university linkages. Host country institutions are involved in all activities. Partnerships are project oriented. Partners has 43 staff in its Washington, DC office; two in Bogota; three in Brasilia; and two in Barbados. Financing for Partners comes from both public sources (including A.I.D.) and private sector contributions from U.S. and foreign corporations and foundations. Fund raising activities are also carried out at the partner level. In-kind funding provides an important source of income for projects. Partners stress the importance of networking and leveraging resources and matching U.S. government funds with local funds and local inputs.

b. Junior Chamber International (Jaycees)

Jaycees International promotes the establishment of working relationships between pairs of Local Organization Members (i.e., chapters) of different countries with the objective of creating a mutual understanding and friendship between members of the twinned chapters. Twin chapters are selected based on similarity of interests and problems; economic and trade interests between members of the chapters; a sister-city relationship between two local communities; or friendships between members who lead their chapters to twinning. Initial contact about twin chapter possibilities are made through the national organization headquarters. The U.S. Jaycees International Affairs program officer can make the initial contact through the other National Organization Member. A pre-twinning mutual assessment period defined by both chapters at the commencement of negotiation is agreed upon so as to set a target date for twinning. During that period, any problems regarding a lack of compatibility can be resolved and both chapters can either proceed to active twinning or withdraw. After formal twinning takes place, the chapters are encouraged to become involved in joint projects and exchanges. Direct aid and international development programs are commonly run in response to a specific need or request from the sister chapter. These joint programs include the provision of medical supplies, the installation of water pumps and establishment of trade schools. This cooperation between sister chapters can be carried out in collaboration with local PVOs. Twinning also provides opportunities for members of sister chapters to establish new business contacts.

c. Rotary International

Rotary International (RI), like Jaycees International, have chapters throughout the world. Twinning of International Rotary Clubs is facilitated by the national and international offices. But once the initial link is made, the relationship is maintained by the clubs themselves. Regional chapters present proposals for community development to Rotary International in the U.S. Twice yearly RI publishes a catalogue of proposals. U.S. chapters select projects which interest them and contact the foreign regional office through the foreign national and foreign regional offices. The two regional offices establish an agreement, raise funds jointly and submit requests for matching grants from the Rotary Foundation.

C. The Wheel-and-Spoke Model

1. Characteristics

The Wheel-and-Spoke model is structured around a central U.S.-based membership organization which invites membership from other institutions in the U.S. and MCs which have a similar thematic focus. The Institute for Contemporary Studies and Corresponding Institutes (ICS) and the World Wildlife Fund are examples of this model. The wheel-and-spoke mechanism facilitates direct communication among all members and correspondent institutions through annual meetings, conferences and publications. A key focus of this mechanism is the improvement of communication among in-country institutions.

2. Strengths and weaknesses

Among the strengths of this mechanism is its great potential for establishing and maintaining excellent communication systems among participating institutions. Furthermore, since the member institutions share a substantive focus, mutuality of interests and vigorous exchange of ideas follow easily. An additional strength of the Wheel-and-Spoke model is the autonomy with which the corresponding institutes function.

The principal weakness of this model as an MC mechanism is that only member institutions have access to the information circulated.

3. Representative programs

a. World Wildlife Fund (WWF)

WWF structures its activities around geographic and thematic areas. It works in approximately 140 countries and has a budget of \$30 million. WWF has no regional offices, but works instead through a network of indigenous organizations. WWF provides grants attached to technical assistance. The work is U.S. staff intensive (110 in their Washington, DC office) and involves extensive travel. The majority of WWF funding comes from individual contributions. Government sources and private sector contributions make up

the remainder. WWF requires grantees to match the grants which they receive, but the amount is determined by local economic conditions.

b. Institute for Contemporary Studies and Corresponding Institutes (ICS)

The ICS, headquartered in San Francisco, was formed in 1982 to promote dialogue among international institutions in the area of economic development. Acting on the advice of its Board of Academic Advisors, ICS invites various foreign and U.S. economic institutions to join the Institute. There are currently 130 correspondent institutes in 68 countries worldwide. Member institutions are provided with newsletters, publications, research grants and assistance, and fellowships to assist in the dissemination of information among all of the members. ICS enhances communication between member institutions by supporting and publishing the research of one member (or a team of members) and then providing it to all other members. ICS also promotes communication and the establishment of relationships through sponsorship of annual meetings which all members are encouraged to attend. ICS is a non-profit organization which depends entirely on grants and contributions for its funding. A.I.D. and private foundations are the Institute's major donors.

D. The One-to-One (University/Scientific Organization) Model

1. Characteristics

The establishment and maintenance of peer linkages between U.S. and foreign educational or scientific institutions or departments on a one-to-one basis is the cornerstone of this model. One institution may actually establish several one-to-one linkages. These linkages are based on the mutual exchange of information. Funding usually comes from external sources such as foundations, host country governments, donor loans or university budgets.

Relationships between universities are usually created out of personal ties which have been developed between faculty or administrators as the result of contact at conferences or having worked together under some other initiative. Formal or informal agreements are drawn up after the initial link has been made. University administration may become involved in the initial linkage creation stage.

Where linkages are established between scientific organizations, those links are usually initiated by foreign governments or institutions to enhance the exchange of information and technical assistance relevant to a particular project. Funding is most commonly provided by foundations, foreign governments and donor loans.

2. Strengths and weaknesses

The creation of One-to-One linkages between universities and scientific organizations which facilitate the mutually beneficial exchange of information is the primary strength of the one-to-one model. The mechanism also provides an opportunity for individuals from the U.S. and MCs who, through shared academic and scientific interests and needs, meet at professional conferences and through other channels to establish mutually beneficial working relationships. Since these linkages generally pair similar organizations, a common understanding of needs and administrative issues should facilitate the maintenance of one-to-one linkages once established.

Weaknesses in the One-to-One model include the lack of formal maintenance programs which can threaten the sustainability of linkages once funding declines or is terminated. Another shortcoming of this mechanism is that it may apply only to well known institutions which have a comparative advantage in a particular area, thus limiting the circle of participants.

3. Representative programs

a. American Council on Education (ACE)

ACE facilitates the establishment and maintenance of university linkages worldwide. These links are usually created through personal contact, i.e., university professors who have met at conferences or have worked together convince their respective universities to draw up exchange agreements. These personally initiated links tend to be lasting. ACE's experience has been that when university administrators attempt to "drum up" linkages, they are usually unsuccessful. The one-to-one model reflects the importance of involving the individuals who benefit from the creation of these cooperative relationships in their establishment and maintenance.

b. National Academy of Sciences (NAS)

NAS usually forms links with similar institutions in other countries, often at the request of foreign governments. While NAS has its own interests in promoting information exchange and developing institutional links, it is, for the most part, the foreign scientific institutions which initiate the link. NAS facilitates the mutually beneficial exchange of ideas and information. Because of its high visibility in foreign countries, NAS is often approached by local institutions to form links in support of a specific project. The project becomes the principal motivation behind the link, e.g. providing assistance in building a Korean "science town" or institution strengthening in Indonesia. While the links between NAS and the local institution may be strong during the life of the project, the absence of a

formal maintenance program to continue links once the project is completed results in NAS often moving to the sidelines and watching other countries move in to reap the benefits of the project.

E. Bi-national Foundations

1. Characteristics

Bi-national foundations are created to strengthen and develop the relations between the two participating countries and to further development in areas of mutual interest. They typically operate as private organizations, often governed by the laws of the MC. Direction is provided by a Board of Directors which includes representatives from both countries. The Board makes decisions by consensus, defines policies and establishes the Foundation's priorities. An Executive Council, also including representatives of both countries, manages daily operations and approves projects. Funding is provided through an initial endowment contributed by the Governments of the MC and/or the U.S. The participating entities within each country are usually expected to match the funding provided by the foundation.

2. Strengths and weaknesses

Bi-national foundations can provide an effective transitional mechanism for involving the private sector in MCs. They can help to achieve the same objectives as those assisted by programs administered directly by the U.S. Government. The bi-national foundation's positive attributes as an MC model include flexibility, local control of issues and agenda, and the support of mutuality of interests. The model's greatest weakness is the requirement for an initial source of income.

3. Representative programs

a. Luso-American Development Foundation (LADF)

The Luso-American Development Foundation was created by the Portuguese and U.S. governments to strengthen and develop relations between Portugal and the U.S. and to contribute to Portugal's economic and social development through the promotion of cooperation between the two countries in the scientific, technical, cultural, educational, commercial and entrepreneurial fields. Seventy-five percent of the Foundation's work is in private sector development, science and technology, and education; the remainder focuses on public administration and regional development and cultural support. LADF gives priority to projects which promote rapid modernization of the Portuguese economy; the role of the private sector is delegated particular importance. Examples of projects supported by LADF include a feasibility study of a Portuguese fashion clothing firm in the U.S.; joint research on robotics between New University of Lisbon and Rochester University; interchange of professors at the post-doctoral level between Portuguese and U.S. universities; and

computerization of services of the Government of Madeira. The Foundation prefers to support proposals to be administered by other organizations rather than administering the projects itself. This approach enables the Foundation to maintain flexibility and limit the number of its employees.

LADF operates under Portuguese law as a private organization which provides public benefit. It is administered by three boards: a Directive Council which directs budget and policy review; an Executive Council which approves grants and manages the staff and financial endowment; and an Advisory Council. The Directive and Executive Councils each contain only one American. All Council members are selected by the Prime Minister. The Foundation has a support staff of 77 and is primarily a Portuguese institution.

Most Foundation assistance is in the form of grants although loans or loan guarantees are also provided. LADF generally does not finance more than 50 percent of the costs of a project; the exception being certain research activities. The Foundation does not support partisan political activities, nor does support for a project normally exceed three years. The Foundation's initial \$38 million endowment was funded through a cash transfer from the U.S. Government to the Government of Portugal, which then contributed the funds to LADF. Increases in the endowment from the same source are foreseen in the statutes which established the Foundation. As of 1990, \$200 million had been received.

b. Israel-U.S. Bi-national Industrial Research and Development (BIRD) Foundation

The BIRD Foundation was created to promote and support joint, non-defense, industrial research and development activities of mutual benefit to Israel and the U.S. BIRD cost-shares with each partner in a U.S. company-Israeli company team that seeks to develop and to commercialize any innovative (non-defense) technological product or process that has the potential of yielding returns that are commensurate with the investment and the risks. BIRD receives a royalty on revenues generated as a result of the project. If there are no revenues, no royalties are due. BIRD acquires neither equity nor rights to intellectual property. BIRD has initiated over 160 projects since its inception in 1977. The mutual benefit to both Israel and U.S. has been significant. The Israeli side, selling largely to its U.S. partner, has generated increased exports of high added value products, while the U.S. side, selling largely to the U.S. and foreign markets, has generated increased sales. Both sides benefit from sharing in new technology and new market insights. BIRD's success has made it a model for several other bi-national foundations including the Colorado Partnership which teams the Government of Finland with Colorado State University to promote joint-ventures and FACET which links the U.S. Department of Commerce and the French Ministry of Technology.

BIRD's funds derive from the interest on an endowment of \$110 million that was provided equally to the two governments. BIRD's Executive Director reports to a Board of Governors which consists of three senior government representatives from each country.

F. External (International) Foundations

1. Characteristics

International foundations, such as the Ford Foundation, the Asia Foundation and the Rockefeller Foundation, provide assistance to MCs through grants to governments, institutions/organizations and individuals. They also may make loans to or otherwise invest in enterprises that advance program objectives. International foundations usually operate in-country with small regional offices. The funding process is initiated by the submission of a proposal to the foundation which is evaluated by the foundation's regional/country program officer. The regional office then submits selected proposals to the U.S. national office for final approval.

2. Strengths and weaknesses

The international foundation provides an efficient means for funding worthwhile projects in MCs. However, the decision to fund a project is not usually based on any pragmatic mutuality of interests and it may or may not advance peer relationships and build linkages.

3. Representative organizations

a. Ford Foundation

The Ford Foundation is a private, nonprofit institution which seeks to identify and contribute to the solution of problems of national and international importance. Its mandate is to help advance human welfare. The Foundation works mainly by granting funds to institutions and organizations for experimental, demonstration, and developmental efforts that give promise of producing significant advances in the areas of urban and rural poverty, human rights and governance, education and culture, international affairs, health and nutrition, and population. The Foundation also makes loans to or otherwise invests in enterprises that advance program objectives. The Foundation limits its grants to efforts likely to have a wide effect.

A Board of Trustees from a variety of fields determines Foundation policy. A professional staff evaluates grant applications, explores means and opportunities to stimulate advances in fields with which the Ford Foundation is concerned, works with prospective grantees, and recommends proposals for approval by the president of the Foundation.

The Foundation operates its international portfolio through its headquarters in New York and regional offices in Latin America, Africa and Asia. It also has strong ties to organizations and individuals in dozens of countries. The Foundation sees its role as that of a catalyst in the creation of connections among cultures and nations and between public and private sectors. It provides grants to local institutions and individuals in support of research

and institution building efforts primarily in the areas of health and nutrition, rural development, agriculture and natural resource development, public administration and public policy analysis.

b. Asia Foundation

The Asia Foundation is a non-profit, public benefit organization established to lend American assistance to Asian and Pacific Islanders for the growth and development of their societies, to promote Asian regional cooperation, and to further Asian-American understanding, cooperation and friendship. The Foundation is headquartered in San Francisco, but administers most of its work through its ten field offices located throughout the Asia-Pacific region. In return for its assistance, the Foundation seeks a matching commitment in time, resources, energy and involvement from recipients.

Foundation activities are concentrated in government and public administration, law and justice, human rights, free enterprise and business management, international relations and diplomacy, communications and journalism, and education. In addition to programs in individual countries, the Foundation actively promotes Asian-Pacific regional exchange and cooperation bringing together nongovernmental organizations to form regional associations to participate in joint research and to facilitate Asian exchange. Program activities in the U.S. include sponsorship of special exchange programs and selected conferences, seminars, study tours and internships.

The Asia Foundation's funding is derived from grants and contributions from corporations, foundations, trusts and individuals, and major financial support in the form of an annual congressional appropriation provided via the U.S. Department of State. A.I.D., the Japan-U.S. Friendship Commission and other organizations contribute grants to the Foundation. It earns income from its endowment and from special memorial funds.

G. Technical/Cultural Exchanges

1. Characteristics

The technical/cultural exchange mechanism establishes linkages between individuals with the objective of broadening the experience and knowledge of persons in similar positions in different countries. The model is similar to the twinning model, the key difference being the technical/cultural exchange's focus on "twinning" individuals rather than local organizations. Funding is derived from dues paid by members, contributions, and in some cases fees paid by program participants for the service of establishing the placement.

2. Strengths and weaknesses

The primary strength of this mechanism is the strong mutual interest inherent of participants. This mutuality of interests lends itself to successful experiences and

exchanges. A weakness of the exchange mechanism is that it reaches only active members; its ability to reach a wide audience is limited. A further shortcoming is that exchanges are often available only to those that can afford them.

3. Representative programs

a. International City Management Associations (ICMA)

Among ICMA's diverse mechanisms for promoting the development of relationships between city managers in different countries is a manager exchange program. For example, a city planner in Trenton, New Jersey might exchange jobs with a city planner in Mexico City. Opportunities for exchanges are advertised in ICMA's bi-weekly newsletter which is circulated to its 7,500 international members. The exchange program is largely funded by the program participants who pay ICMA a fee for developing their placements in addition to paying all expenses incurred during the exchange. Additional funding is derived through foundation underwriting and member dues. In addition to its exchange program, ICMA sponsors professional conferences and study tours that match professionals in two countries.

b. National Cooperative Business Association (NCBA)

NCBA is a national membership and trade association representing the U.S. cooperative business community. It serves as a "chamber of commerce" for cooperative business for cooperative businesses by representing the unique and mutual needs of the various industries. NCBA provides technical assistance to developing countries in a wide range of agricultural activities, housing, credit development, education and training, feasibility analysis, research and development, rural industries and insurance. One of NCBA's program mechanisms for providing assistance overseas is to link a U.S. member with a cooperative in another country. Members of the U.S. cooperative visit the "sister" cooperative, usually to assist with a particular project activity. Members of the overseas cooperative may, in turn, send members to the U.S. for training. For example, NCBA arranged visits by India's National Dairy Development Board staff to USDA and cooperative dairy facilities to observe testing, quality control, and standardization procedures for reconstituting milk.

NCBA secures funding for its international activities through a variety of mechanisms. It undertakes contracts for A.I.D., the UN, and the World Bank, obtains dues from members (according to ability to pay), and encourages contributions to an NCBA Foundation. NCBA uses its foundation to make donations to overseas cooperatives and to start revolving credit funds. It solicits matching donations from other foundations.

H. Funding Mechanisms

1. Endowments

One approach to sustaining development projects with which A.I.D. has had recent experience is the establishment of endowments. This approach, used by A.I.D. most frequently in the LAC regions, shows promise as a mechanism for supporting MC program activities. An endowment is usually vested in a private, nonprofit organization established to pursue certain purposes set forth in its charter, with its program and operating expenses partially or fully funded from income generated through the endowment. A.I.D. Mission funding of an endowment can come from PL-480 local currency, economic support fund (ESF) local currency, and development assistance and ESF dollar funds through debt for development initiatives. Establishing the endowment usually involves negotiating a transaction with the host government, whereby ESF, PL 480, or debt-swap-generated local currency is transferred directly to the endowment, or local currency is exchanged for government bonds or other assets, which are in turn assigned to the endowment. Once the funds are invested in an endowment, the challenge is to protect and expand their value. In economies undergoing inflationary pressures, endowment portfolios must be managed with sufficient liquidity and flexibility to ensure that investment exceeds the rate of inflation.

In the Dominican Republic, A.I.D. is providing a \$2.4 million local currency matching grant to an endowment fund established for the Superior Institute of Agriculture, a private agricultural university which will use the income to meet a growing demand for technical and management training. In Costa Rica, A.I.D. contributed \$27 million of ESF local currency as an endowment for the Costa Rican Coalition for Development Initiative (CINDE). The income from the endowment funds CINDE's programs in foreign investment promotion, agricultural export promotion, industrial reconversion for export and export-oriented trading.

2. Debt-swapping

Debt-for-equity (or debt-swapping) is a mechanism designed to reduce the external debt of developing countries and to encourage foreign direct investment on the part of international corporations and banks. The corporations purchase the external debt of a country from a bank at less than its face value and swap the debt for ownership in a local company or an other form of equity. Environmental conservation groups pioneered the use of debt conversions by non-profit organizations in 1987, conducting "debt-for-nature swaps". Other "debt-for-development" transactions have since been made to provide local currency funding for educational, health, and social welfare projects.

Debt-for-development transactions hold much potential as a mechanism for working effectively in MCs. However, engineering a debt-for-development transaction can be complicated. The first step generally is for the interested U.S. entity to design a specific development project that includes local partners (typically involving cost-benefit analyses, evaluation of in-country sensitivities and project partners; and determination of whether

adequate funding exists to finance the project. Other basic elements of developing debt-for-development transaction include the negotiation of its financial structure; securing government approval from the debtor government; execution of the debt-for-development conversion; and, finally, management of the swap proceeds.

III. BUREAU AND SECTORAL PERSPECTIVES ON MC STRATEGY

A. Introduction

As indicated in the introductory section of this paper, the concept of an MC strategy for A.I.D. was discussed with many A.I.D. officials during Devres' first two MC assignments. The purpose of these discussions was to ensure that various viewpoints on MCs and on a strategy for A.I.D. to pursue in relating to them would be expressed and considered. Also, PPC, at the highest level, wanted to be certain that all those with a stake were able to participate fully in developing A.I.D.'s MC strategy.

Following this approach, discussions were carried out with individuals and groups of A.I.D. and private sector officials regarding MCs and a possible strategy for A.I.D. A brief summary of the perspectives garnered from these discussions are presented below. For the sake of consistency, the perspectives expressed by individuals from within or with respect to a specific bureau or sector are reported, in this chapter, under the heading of that bureau or sector.

The main purpose of this summary is to provide staff and policy makers who will deal with MCs in the future with the flavor of the discussions in 1989 and 1990 that led up to the formulation of a draft MC strategy. Given the time constraints associated with many of the meetings and interviews during consideration of the MC draft strategy, this summary is, in part, anecdotal rather than systematic and fully detailed. For example, comments made by individuals during meetings or interviews could not always be fully developed or documented in great detail. And, conclusions were frequently stated with only notional factual support.

The discussions and interviews on which this summary is based did not constitute a systematic survey or an exhaustive effort to identify and distinguish viewpoints by bureau or sector. However, the authors of this paper hope that the views expressed from within A.I.D. itself during A.I.D.'s extended discussions of MC strategy issues during 1989 and 1990 will be helpful in dealing with MCs effectively in the future.

B. Bureau Perspectives on MC Strategy

1. PPC

Many perceive an MC strategy to be A.I.D.'s recipe for never getting out of a country. In MCs, the concept should be that conventional development assistance ends; then the U.S. undertakes programs based solely on mutual interests. An MC program would no longer be an "aid" effort. A.I.D. per se would be "out."

A.I.D.'s program is now focused on the wrong countries from the American public's perspective. A.I.D. needs to deal with Mexico, Brazil, and other more important MCs where U.S. citizens see a direct impact on U.S. interest. How do we cast the MC argument?: In terms of U.S. interests that allow an intensified focus on MCs. We need to allocate resources in a flexible, country-oriented way that the average American can understand. A.I.D. is not going in the right direction with its large presence in countries, functional accounts and opposition to collaboration with profit making institutions. A.I.D. needs to focus more on programs that get leverage in return for U.S. contributions. Such programs should not be soft, like an science and technology exchange. Rather, A.I.D should be looking at what the U.S. loses in opportunity costs when it does not focus on MCs. What other donors are doing things with MCs and at what cost/benefit ratio? We need additionality from our foreign aid dollars! A.I.D. must identify country or project specific opportunities and determine where it is important to move forward to further U.S. interests. (A.I.D. will obviously find specific opportunities in non-MC and MC countries.) What are the options these opportunities provide? What are the risks associated with pursuing them? What are the chances for success? A.I.D. should approach these opportunities--especially in MCs--based on mutual interests, not by functional accounts.

A.I.D. needs to identify countries as "different"--i.e., MCs vs. non-MCs. What is the trip wire or gate which makes a country an MC? Even with this trip wire firmly established, A.I.D. would be doing MC type activities in all--MC and poorer--countries. The critical difference will be distinguishing MCs and putting different terms and mechanisms in place for A.I.D. assistance to them in MC "areas."

Leveraging should play a major part in an MC strategy. Certain countries and country groups should also be a central focus of U.S. concerns with MCs. For example, the Pacific Rim and Mexico are important focal points for U.S. interests. Global public goods are also a logical area of expansion for A.I.D. programs in MCs.

MCs are a competitive environment in which A.I.D.'s contributions must be sold and made effective. A.I.D. faces other USG agencies in this environment and must illustrate its unique contribution vis-a-vis them.

Successes as an MC should be reinforced. Becoming an MC should not be synonymous with reduced A.I.D. activity or resource levels, but mutual sharing of input levels would be much more even between the U.S. and an MC.

2. LAC

To date, the MC strategy in LAC has been resource driven. The pressure is still on to keep the level of A.I.D. resources in MCs moving downward. However, MC status should not be linked directly with decreases in A.I.D. funding levels.

Embassies all want MC type programs. MC programs give each country team more leverage in dealing with the MC host government. MCs also want these programs--e.g., for training purposes.

MC programs should be designed to influence non-A.I.D. resources more directly. That is, they should leverage private and public resources to achieve desired mutual U.S. and MC objectives.

An MC strategy must account for the differences within and between countries. Any MC strategy must also build upon and contribute to the sustainable growth of the countries involved. MCs in LAC have not yet garnered self-sustaining growth and thus may not possess a sound foundation for launching and sustaining MC programs. An MC definition based solely on per capita income levels--rather than also accounting for secular rates of economic growth--does not account satisfactorily for the economic difficulties of many LAC countries.

U.S. "interests" of importance in the MC context are also significant in countries that have not yet reached MC status. Both poverty oriented and other MC type programs need to take account of these interests--AIDS, the environment, etc.

An MC strategy should define U.S.-MC mutual interests as economic and non-economic.

3. ANE

A.I.D.'s objective is sustainable growth. A country should achieve MC status when the dominant majority of economic and other indicators being used as measures of success demonstrate superior performance. An MC is a country which has significantly expanded its trade and financial presence in the international market place. Its actions are of direct and continuous interest to the U.S. The MC's expanding international economic relationships are built on strong, sustained domestic economic and social performance. This strong base of sustained performance ensures that the existing U.S.-MC mutuality economic of interests will be long-term. Thus, the distinguishing feature of a U.S.-MC relationship is mutual economic interests. Global public goods or poverty alleviation should be dealt with if necessary to sustain an MC's economic growth path.

If a country reaches a state of superior economic performance, A.I.D. would remain in the MC, but its MC programs would kick in. Country indicators that are not adequate could be used to guide A.I.D.'s MC programming into areas where further assistance is still needed. The major motivation for A.I.D. to change assistance formats with these MCs is to develop further a set of mutually reinforcing beneficial economic relationships. For A.I.D. to undertake a program in an MC, the U.S. presence must serve U.S. and MC interests, encourage the MC to play by the rules of an open international market, and provide a stable situation in which U.S. ideas, policies and products can compete against those of other nations. In the

long run, U.S. efforts to reduce poverty will be more successful as the MC circle of countries is expanded. Then the resources of MCs can be used to alleviate their own poverty.

The common characteristic of a U.S.-MC program will be the designation of U.S. contacts and resources to assist the MC in achieving its own objectives. MC programs will not be project or USAID Mission oriented. They will be specific short-term interventions largely managed by the MC itself. As a country moves to MC status, the portfolio of USAID's traditional projects would shrink as would A.I.D. Mission staff. In a new MC mode, a different, smaller staff would conceive and support short-term interventions in response to MC needs and requests.

A.I.D., because it works directly with host country institutions, is in a better position than other USG agencies to affect MC decisions and actions and shape the mutual interests of U.S.-MC relationships.

MC programs should use a country, rather than a sector, approach so as not to neglect links between sectors. A country approach also enables a more direct attack on less developed groups or regions within any given MC.

4. AFR

MC concepts are not as relevant to AFR because there are few countries in Africa approaching the graduation stage. Thus, not many countries are appropriate candidates for using a new aid mechanism such as a foundation or the LAC model for MCs. AFR is, however, using or planning to use the concept of MC "post" management (as used in LAC) in some small countries.

U.S. competitiveness is important for our future. A.I.D. needs to help maintain linkages with more advanced developing countries (e.g., MCs) in trade, education and other sectors to reinforce U.S. competitiveness.

U.S. interests in poverty alleviation in AFR are similar to its interests in other MC type activities. The DFA action plan incorporates MC type ideas in non-MC countries. A.I.D., including AFR, has a huge OE crisis; the MC strategy may help solve it.

MC type programs are important in poor countries too and are not more appropriate for MCs; DFA programs are like MC programs. MC type programs do not reflect U.S. interests more strongly than do A.I.D. programs in non-MCs. The former account for U.S. interests in strengthening countries' capacity to participate in international markets, in alleviating poverty, and in avoiding political instability. These are important U.S. interests just as are other MC related interests such as the environment and democracy.

Graduation of MCs should be considered rather than trying to distinguish them from poorer countries. And, loans vs. grants should perhaps be considered again in further developing U.S. relationships with MCs.

5. PRE

Significant amounts of international business, investment and trade occur between more economically advanced developing countries and the U.S. Because of the significance of these interactions, the U.S. needs a continuing relationship with these countries. This relationship is even more important because it tends to bridge the gap at the end of A.I.D.'s traditional assistance program where A.I.D. has customarily left the country but other U.S. agencies have not moved in.

The MC relationship with the U.S. is to be one based on mutual interests. A key question is: What is any MC going to state as its key interests at home and with respect to the U.S.? The public and private sectors in MCs and the U.S. must be prepared to "buy-in" to these programs because U.S. funds will not be sufficient to fully encourage or to force them to accept the programs.

Capital markets, municipal finance and development, and urban environment are a good areas for inclusion in an MC strategy. The HIG is also an effective mechanism to deal with developing country needs and interests and can help via training, seminars, newsletters etc. to build institutional strength. The HIG can also deal with global public goods such as the environment.

Provision of services to the poor through the private sector should be a significant part of any MC strategy.

A.I.D. should put its MC money into programs that are highly leveraged. A small amount of money in MC programs frequently provides big payoffs in numerous areas--e.g., education. OMB has budget reducing objectives; Congress has graduation objectives. A.I.D. now has a more mature objective of maintaining relationships with MCs where it is clearly in the U.S. interest.

6. S&T

S&T has an important role in an MC strategy--e.g., in areas such as intellectual property rights and science and technology. It can help with training and in expanding the knowledge base to be applied in MCs. S&T needs to focus on what MCs want from the U.S. that also is in the U.S. interest, then on helping the MCs get it.

A.I.D. brings a special development perspective to U.S. relationships with MCs. The high technology spin-off of U.S.-MC relationships is very large, but A.I.D. also needs to be

aware of more general developmental spin offs from such relationships. A.I.D. should work on mutual U.S.-MC interests to which both sides are able to contribute.

It was wrong for A.I.D. to leave countries like Turkey because no other U.S. agency picked them up. Turkey, for example, is prepared to pay for U.S. assistance, but it cannot bear the full costs of what it needs.

7. FVA

OMB thinks A.I.D.'s MC strategy serves A.I.D.'s own interests by justifying continued A.I.D. programs in MCs. In fact, A.I.D. should graduate developing countries from its assistance rather than make its role more expansive. The basic notion of an MC strategy, then, should be to wean countries from A.I.D. After all, A.I.D. often improves U.S. relationships with countries when it leaves!

In some cases, graduation could be from assistance levels rather than from the A.I.D. relationship. A.I.D., in this configuration, should let major U.S. interests become someone else's job. A.I.D. could be available to sponsor, facilitate and otherwise respond to MC initiatives, but it would not formulate or fully manage the MC strategy. Rather, A.I.D. would become a patron. It would contribute in support of an activity initiated by others. A.I.D.'s new role would be to make much smaller grants in support of U.S.-MC mutual interests.

A.I.D.'s key area of expertise is humanitarian activity; A.I.D. has no business sense or experience. It has no capacity to deal with key issues in MCs. Other U.S. agencies and the private sector should be allowed to take over. For example, just one major U.S. company spends more in international exchanges and related training than does UNESCO.

A Thai company just purchased StarKist, an American company. A.I.D. is not in business to encourage Thai investment in the U.S. How much help should we give countries that then put Americans--unfairly or fairly--out of business (e.g., less expensive labor or lack of intellectual property rights)? Clear parameters regarding these and other issues involved in the U.S.-MC relationship should be an explicit part of A.I.D.'s MC strategy. MC strategy is much more self-serving from the U.S. perspective because MCs are a more significant part of the global economy and the "U.S." is likely to have more intimate and important relations with MCs.

Becoming an MC should be a good thing; countries that cooperate in meeting U.S. interests should benefit. In many cases, only parts of some countries are highly developed. These parts may need to be dealt with in the MC context while the remainder of the A.I.D. program continues in its more traditional form.

A.I.D. maintains a country focus, whereas other U.S. agencies do not. MCs are relatively low on the U.S. priority scale and get lost if A.I.D. cannot maintain the relationship.

Mutuality should be defined by the establishment of long-term interests such as an S&T relationship, not by the amount of trade resulting.

8. Counsellor's Office

We should not launch an MC strategy by saying we should be in certain countries and then look around for what to do. Rather, A.I.D. should drive its MC policy by why it should be in a country. Once this is clear, MC programs become clear. As A.I.D.'s MC strategy is framed now, it is merely a continuum from the poorest country up to Great Britain.

A.I.D. must pay more attention to where and why it intervenes in developing countries. Even though A.I.D.'s resources have diminished, it still does too much of everything. A.I.D. is only applying a general development template in all countries--and it is very process, not content or substantively, oriented. And, A.I.D.'s template is wrong. CDSSs are a series of competing templates which seldom focus A.I.D. on high priority opportunities in each country. A.I.D., in MCs and non-MCs alike, needs to identify what is really important to do and why. Any MC strategy must be expansive enough to focus on such important matters only in each MC.

A.I.D.'s MC strategy should use a sliding scale or template. It should look at how trade, security, or development overlap within a country and focus MC programs on the overlap area. A.I.D. needs to find points that are logical in each MC country matrix and focus on those, not on everything. It should not concentrate on sectors, functional accounts or other requirements, per se.

OMB is only committed to graduation, not to trade, Pacific Rim or other issues. A.I.D., however, cannot identify development, economic or other issues in which the U.S. has a serious interest. Nor can A.I.D. specify its advantage(s) in dealing with these issues vis-a-vis other U.S. agencies.

A.I.D. needs to analyze, again, how items of high national interest are leveraged by U.S. involvement.

9. Executive Secretariate

Graduation of countries by A.I.D. was not a good idea. It left them to be influenced by U.S. competitors who moved in after A.I.D. left. MCs no longer need the U.S. for resource transfers. But, instead of graduating MCs, the U.S. needs to transform its relationships with them. How do we do that? A.I.D. should establish long-term NSC-type relationships with different content.

C. Sectoral Perspectives on ADC Strategy

1. Agriculture and Natural Resources

MCs could provide technical support to less developed countries in agricultural research and other areas. Current regulations, however, limit A.I.D.'s ability to work with MCs to facilitate this kind of activity.

MCs are already an important source of technology for the U.S. A significant portion of our own agricultural technology now comes from these countries. A.I.D. efforts such as the Collaborative Research Support Program (CRSP) are in place in MCs already and produce valuable mutual benefits for the U.S. and MCs. This CRSP experience shows how much can be garnered by the U.S. from appropriately funded relationships with MCs. MC programs do not require a lot of money. A.I.D. is only spending \$20,000 for one of its important efforts in Brazil.

2. Health

MCs have significant health issues. They are approaching a health transition, moving from a pattern of high mortality and communicable diseases to a pattern of chronic and modern diseases. The latter pattern resembles that in the U.S. A.I.D. can continue to relate to MCs in this very broad area, especially through faculty and university linkages and exchanges and joint research efforts. Such efforts will benefit both the U.S. and the MC and are highly desirable from the MC perspective.

Health should be seen within a conceptual framework that can include continued A.I.D. help in MCs because it is in the mutual interest of the U.S. and the MC. AIDS, a serious communicable disease problem, is one focal point where U.S.-MC cooperation clearly is of mutual interest. Good health is also a global public good in that it contributes to development and quality of life. However, mutual interests between the U.S. and MCs can conflict with what A.I.D. is or should be about, e.g., mutuality vs. developmental interests. Mutuality could include, for example, U.S. sale of a high-cost diagnostic machine to an MC, whereas A.I.D. policy is to promote public health and preventative health care. On the other hand, individuals in MCs can come to the U.S. for health care, thereby creating foreign exchange outflows but no conflict with U.S. exports. Is there a role for A.I.D. in MCs in helping consider such issues?

We know that as countries develop their problems develop; this may mean MCs will need some of these advanced technologies. The problem is one of cost control and what an MC can and should afford in the way of advanced medical technology. This introduces an important area of U.S.-MC collaboration--health care financing. The U.S. has expertise here, but it also has an interest in exporting high-technology products. MCs are looking for new ways to ways to finance health care because they can no longer afford subsidized health care

but cannot privatize completely either. This opens an entire area of U.S.-MC collaboration. How can public and private sectors collaborate to finance improved health care?

The health sector, in MCs and non-MCs, faces significant regulatory issues. In helping set up oral rehydration salt production facilities, for example, there usually are no regulations and standards to guide production and protect consumers. Helping MCs establish such systems could be an important contribution to development of their health sector.

3. Nutrition

MCs and developed countries continue to have nutrition problems. Actually, they both suffer from unique nutrition problems--both under- and over-nutrition. Thus, there are many opportunities for A.I.D. to continue to remain active in MCs in the area of nutrition. There are many mutualities of interest and opportunities to collaborate in research, education and information dissemination on nutrition-related diseases such as coronary heart disease.

While going upscale with some U.S.-MC nutrition research and other activities in MCs, pockets of high infant mortality and poverty related nutritional problems remain in all MCs. A.I.D. can continue to support activities in these areas as well.

4. Population

MCs offer opportunities for U.S.-MC collaboration in the area of population and family planning. For example, A.I.D. would like to graduate certain MCs by developing private, commercial markets for contraceptives, instead of providing contraceptives from outside the countries. In many MCs these markets are already being tapped by non-U.S. companies. U.S. companies, because of A.I.D.'s non-MC approach to these countries, are locked into competing for procurement contracts rather than for a market.

The key constraint to privatizing contraceptive markets is lack of appropriate standards for locally manufactured contraceptive products. In some countries where many people have the ability to buy their contraceptives, they prefer A.I.D. contraceptives because they are of high quality compared to local products. Thus, if A.I.D. is to encourage local production of contraceptives, it will need to support the establishment of a regulatory agency to set up FDA-type regulations and standards for contraceptives manufactured locally. However, for the moment, it is cheaper to send in contraceptives than to set up a testing plant or regulatory agency. The longer run challenge is to develop institutions to ensure quality of locally made products. This could be an ideal U.S.-MC collaborative activity.

5. Education

A.I.D. has two interests in education: (1) realization of the mutual benefits that come from the "value added" by good education and (2) developing alternate mechanisms for funding education, especially those that increase the role of the private sector.

In MCs, A.I.D. assumes education is well developed and stable. Therefore, A.I.D.'s focus in realizing mutual benefits is primarily on the tertiary educational level, i.e. universities. In the MC context, A.I.D. is working with a strategy that does not involve an increase of funding. Basically, this strategy involves a twinning of MC and U.S. universities and faculty exchanges allowing for joint research.

In the area of alternative funding mechanisms, U.S.-MC relationships may offer potential for the U.S. to support MC efforts to solve their educational financing problems. The U.S. may learn things from these efforts that can be applied effectively in poorer countries or even in the U.S. itself.

There are some political concerns related to higher education, such as faculties heavily laden with degrees from Soviet countries. The U.S. interest in education in MCs may go to a national security interest in having people trained in western universities, something that can be supported effectively within the framework of an MC strategy.

6. Energy and the environment

The energy demands of MCs increase along with their economic and industrial growth. The U.S. has a comparative advantage in the energy area, but if it does not support activities of its energy sector in MCs and elsewhere, U.S. companies will be lost to the European and Japanese companies now buying many of them out. It is important for the U.S. to maintain links with MCs in the energy area so the U.S. will still have markets when we reverse our balance of payments problem.

The U.S. and its energy and environmental companies have little capital to invest so their technical capability becomes very important. Our companies have cutting edge experience and, therefore, a comparative advantage in many energy and environmental areas such as clean coal technology and dealing with air and water pollution. A.I.D. is trying to leverage other donor funds, such as those of Japan, in moving its energy and environmental technology into MCs. For example, what is going on in forestry research is probably revolutionary and may be a model for how to apply U.S. expertise in other areas. The MC concept may provide a channel for making progress with this approach, especially in areas such as bio-diversity, global warming, and urban environmental problems.

A.I.D. is not dealing effectively with key MC energy and environmental problems in MCs because of its own budgetary and staffing problems. Congress is demanding that A.I.D. focus on global warming and bio-diversity, but A.I.D. has neither the money or the correct staff to do the job. An effective MC strategy may help A.I.D. make progress in this area.

7. Housing and urban development

Housing and urban development have important roles to play in any MC strategy. Both offer possibilities to be efficient means of tracking domestic capital in the informal sector--e.g., development of capital markets to support home building and sales. At the local government level, MCs continue to have much to do in democratizing institutions, developing capital markets and otherwise liberalizing policies and procedures to enhance economic growth. Also, there is a major linkage between decent housing and development in the form of reductions in diseases and infant mortality. Housing and urban development activities tend to create infrastructure to support the inevitable urban populations that are a part of all MCs. Finally, there can be a major environmental pay off from urban sector investment, e.g., private delivery of social services that provide local private solid waste removal/recycling.

Housing and urban development activities in MCs support U.S. interests mostly from an overall developmental point of view. Trade and international economic integration by poorer countries is handicapped if poor countries, including MCs, do not do better economically.

Current legislation does not allow capital investment in other than residential infrastructure, but a new law could open this area of mutuality up for MCs. The guarantee authority undergirding A.I.D.'s housing efforts, which seeks to mobilize local currency and utilize the leverage concept, can be a good policy tool for use in the MC strategy.

8. Telecommunications

Telecommunications are essential to modern day economic growth. Without telecommunications, economic growth is slower, especially in rural areas. In MCs, the U.S. could help make the use of available donor and other funds for telecommunications more efficient. We also could help in the area of telecommunications policy and institutional development.

9. Narcotics

Narcotics is a priority area for A.I.D. and already is a key component of U.S. relationships with many MCs. A.I.D. is focusing on two areas--income substitution and narcotics education and awareness. The latter is in high demand by governments--they want narcotic awareness programs to help stem the tide of problems introduced by drug production and trade. There is a large MC private sector interest in this too.

The role of narcotics in an MC strategy would probably be limited to education and awareness. This type program is also being carried out in non-MC countries. But, with help from an MC strategy, narcotics efforts could be expanded to other areas such as seeking Brazil's cooperation in not supplying chemicals needed for cocaine production.

10. Democratic institutions

A.I.D. is concentrating on strengthening the judiciary and the legislature in MCs and on improving the administration of justice. It has been principally interested in the criminal justice system from the perspective of the legal framework. However, in some MCs, A.I.D. is also looking at laws themselves. For example, LAC has been involved with the Caribbean Law Institute. The administration of justice focus of A.I.D. bolsters the capacity of governments to improve justice by providing training and equipment within the justice system. Macro-economic assistance also helps develop the stability needed to support democratic institutions in areas such as the Andean Region.

A.I.D. is not looking at property rights, law and order, legal aspects of business and other areas that could become significant parts of an expanded effort in an MC strategy. However, the concept of democratic institutional development is becoming a priority for PRE. It is carrying out a new project, "Institutional Reform in the Informal Sector".

IV: APPROACHES OF OTHER DAC DONORS TO MIDDLE INCOME COUNTRIES

A. Introduction

The 18 countries which are members of the donors-only forum, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), pursue policies and strategies toward Middle Income Countries (MCs) that vary depending on their assistance history and geo-political interests and economic ties with specific MC's and MCs as a group. In 1989, an issue that dominated discussions regarding DAC donors' approaches to Mcs was that of associated finance through mixed or tied aid credits. In an effort to get a clearer picture of how the different DAC donors approach their relationships with MCs, representatives of seven European, bilateral donors and of the European Economic Community (EEC) were interviewed in November 1989 in Paris and Brussels regarding their policies, strategies and programs vis-a-vis MCs. A list of those interviewed is included in Annex 2.

The discussions with DAC donor representatives focused on several key issues of particular interest to the U.S. These were:

- o **Are donor foreign policy interests and objectives in countries exhibiting advanced progress in their development--either overall or in certain sectors--substantially different than those in less developed countries? Is "partnership" more important than "presence" in the Mcs? Do these interests and objectives differ between MCs?**
- o **Does the approach or strategy with MCs differ from the approach taken with less developed countries? If so, do the differences involve substance, management, resource levels, modes of disbursement, etc? What determines what kind of activity, policy, and/or funding levels are appropriate for a specific MC at any given time? In what areas or sectors do resources tend to be focused in MCs?**
- o **What mechanisms or operating modes are used in developing and maintaining relationships with MCs? Does the approach involve only public sector funding and personnel or are private sector entities such as foundations, private commercial firms, associations etc more involved in your relationship with MCs? What kind of coordination is there between different government agencies working with MCs? How is the coordination achieved? What mechanisms are used to develop linkages/relationships with private organizations in MCs?**

- o **Are there particular needs of MCs that can be dealt with effectively via a special MC approach?** In what areas is mutuality of interest between the donor and the MC greatest? Can a MC strategy foster cooperation and collaboration on such issues?

B. Views and Programs of DAC Member Countries

On the whole, the DAC member countries do not have established policies regarding MCs. Nor have they developed explicit MC strategies for their development assistance programs in such countries. Thus, it appeared that the U.S. was the only DAC member focused on developing a strategy for MCs at the time the interviews were carried out.

No DAC member had set firm definitions or "limits" regarding MCs in terms of GNP per capita or any other monetary measure. As one person interviewed said, "the donors generally pick the countries first and then rationalize their contribution later." With one exception (Italy), no DAC country had an upper limit in terms of GNP per capita for ODA eligibility. Italy had closed its upper range at \$2500.

Most DAC countries give their ODA on a grant basis. Only five countries (Austria, Belgium, France, Germany, and Japan) provide more than 20 per cent of their bilateral assistance in the form of loans. The DAC uses the UN definition to delineate the different categories of ODA recipients. After LLDCs, however, where the definition is clear, there is a "gray zone" in terms of the criteria on which grants are made. There is a broad consensus among DAC members that ODA should go to the poorest countries and that LLDCs should only get grants; there is no consensus, however, that the reverse is true, i.e., that grants only go to LLDCs. With some odd exceptions, all technical cooperation, even to higher income countries, is in the form of grants. Generally, the upper middle income countries get harder term loans with smaller grant elements.

The issue of providing associated financing through mixed credits or tied aid is important in any discussion of MC strategies. The pros and cons are quite different. Donors who support associated financing believe it can attract private commercial credit and is a useful tool of graduated development cooperation. Donors against such credits argue that they are often strongly linked to export promotion. They argue that the resulting biases--increased flows to more credit worthy countries, increased import content of projects and an undue emphasis on capital projects and infrastructure--create inappropriate economic distortions. All DAC countries except Ireland provide part of their bilateral ODA as tied or partially tied assistance. The U.S. aid program is probably the least tied program. The issue is critical to the development of any MC strategy.

C. Views and Programs of the European Economic Commission (EEC)

1. Overview of programs

There is no real agreement among EEC members regarding policies, strategies or programs for MCs. For one thing there are MCs among EEC members (Portugal and Greece) which raises questions of what the EEC is going to do for its own MC members. Basically the EC's approach is pragmatic. It is not strategy-oriented in terms of MCs but rather, according to one source, tends to be "ad hoc". The EEC also leans toward treating certain countries in a group context (e.g., the ASEAN countries). In some ways the EEC's flexibility to deal with individual MCs has become a "victim" of this group approach. That is, by dealing with some countries "as a group" (e.g. the ASEAN), it has been hard for the EC to "switch" to an economic cooperation approach if a large country in the group still wants a "development" (e.g., rural infrastructure) approach.

The EEC has differentiated the distribution of its resources based on income levels. For example, for LLDCs constitute one "group" of recipients and all other developing countries with higher income levels constitute another. The EEC provides basically two types of assistance--rural infrastructure and economic cooperation. Aid of both types tends to be concentrated on the poorer countries in the two groups.

All EEC aid is grant aid. Its policies stress two types of cooperation--rural infrastructure (poverty alleviation) and economic cooperation. Only economic cooperation programs are available to the upper income developing countries and the newly industrialized countries (NICs). The economic cooperation efforts seek to stimulate local enterprise that will lead to enterprise cooperation with European firms. This has been done through investment promotion workshops, the development of market studies and data bases and "matchmaking" exercises. These approaches have worked best in the ASEAN countries where a number of MCs can be found. In these cooperation efforts, roughly 80 per cent of EEC's programs efforts are directed to the export of commodities; 20 per cent to manufactured goods and 3 per cent to science and technology activities. However, when MCs become NICs, problems frequently develop internally with various EEC member countries because of increased competition in key areas. India, for example, competes with the computer programming capacity of several key European firms.

The EEC does recognize that there is a need to develop different approaches for countries approaching "graduation". One way is to look at the market penetration of such MC type countries into different western, industrial markets, e.g., Europe or the U.S. While the EEC has not developed a private sector "initiative," it does recognize that MCs like Brazil, Mexico, Indonesia and Thailand want technology, business and NGO partnerships and trade, not infrastructure. Since 1988 the EEC has changed its focus to be more directed to business promotion and commercial enterprises. At that time it was considering new approaches to commercial promotion such as the establishment of a private, NGO consultant group which could put joint ventures together or the provision of a multi-year contract to a

group which could put joint ventures together or the provision of a multi-year contract to a foundation to assist with trade promotion. The EEC was to have guidelines for relationships with MCs in this area available in December 1989.

The content of EEC cooperation programs has also become more diversified particularly vis-a-vis merging industrialized economies. Regarding "global goods," such as the environment and narcotics,, there has more interest in these issues in theory than in practice. The EEC has made forays into the field of tropical agriculture and medicine through scientific and cooperation programs. The EEC's involvement in these areas depends on the recipient country's position. The EEC, for example, has focused on pollution in the Mediterranean by providing considerable resources to the Maghreb countries to "clean up" their water. The EEC has done nothing in the area of democratization.

2. EEC regional strategies

The EEC's overall policy/strategy two sub-regions--Central America and the Mediterranean--has been to promote regional integration and build regional markets for domestic production and consumption. It does not see this as necessarily in conflict with A.I.D.'s export-led policy in Central America. In the Mediterranean region EEC sees this approach as one way to reduce exports to Europe and keep immigrants at home.

In Latin America, the EEC has Framework Agreements with the five members of the Andean Pact (as a group), Central America and Panama, Mexico, Brazil, Uruguay and possibly with Chile and Argentina. Programs among these mostly MC-type countries differ. For example, the Andean Pact countries benefit from a regional program. The higher income countries such as Venezuela, Columbia, Brazil, Uruguay, etc. have programs focused on science/technology, energy, environment, industrial cooperation (business councils, fairs, etc.) and trade promotion. The EEC has only limited experience in these "non-classical" development programs as they were only introduced in the 80's. One mechanism used to carry out these MC type efforts is the development of common research projects wherein grants are made to scientists in universities in recipient countries. The EEC's interest in these projects is to build long term institution relationships in these countries and to develop commercial relationships. As one person interviewed said, "the EEC is basically mercantilistic".

3. EEC International Investment Partners

The EEC's International Investment Partners (IIP) is a financial facility to promote joint ventures in Asia, Latin America and the Mediterranean region. It offers financial support through co-investment in joint ventures to firms both in the E.C. and in the above noted regions. It was initiated on the assumption that those developing countries which have a market economy and a substantial potential for development should look increasingly for joint ventures with European countries. Similarly, the E.C. must encourage its own companies to enter into such joint ventures in research, training, production, servicing and marketing. The facility is designed to stimulate direct foreign investment, encourage the

transfer of technology and "know how" and facilitate access to the European market. The IIP envisions the use of such "tools" of cooperation as information exchange, data banks, standardization and joint investment committees. Its primary focus is small and medium size enterprises.

The IIP provides financial support for several types of operations which might be undertaken during the course of an investment project. These include:

- o **Identification of potential projects and partners**--Funds are available to identify countries and sectors which have investment potential, to identify E.C. firms which have the technology and financial resources for involvement in joint ventures, and to identify local firms which would be suitable candidates as joint venture partners with European investors;
- o **Operations prior to launching a joint venture**--Money is available to search for partners for an individual investment project and to support decisions before the establishment of a joint venture firm, such as marketing and feasibility studies, setting up pilot production units and the manufacture of prototypes;
- o **Financing of capital requirements**--Money is available to support the setting up of a new joint venture or the renovation and expansion of an existing one by providing part of its capital requirements; and,
- o **Training and management expertise**--Funds are provided to support the setting up a new joint ventures or the renovation and the expansion of existing ones by providing assistance with staff training and management; training of local technicians and managers, sending a European executive to take part in the management of the joint venture, or the temporary involvement of a consultant.

Different institutions, both public and private, are eligible for varying types of financial support under the IIP. Similarly, depending on the stage of the joint venture project and the operation which needs financing, different financing mechanisms are utilized. For example, grants are provided at the project identification stage; interest free advances are provided at the pre-joint venture stage; and equity holding or equity loans are provided to finance capital requirements or training exercises. The amount of money available varies according to the operation. Ceilings have been set for a given operation.

4. Science and Technology Cooperation (STC) Program

The EEC's Science and Technology Cooperation (STC) program provides a good example of the use of public funds to link private groups in donor and recipient countries. Priorities for such programs are set by an international committee of EEC and developing country representatives. Emphasis is placed on encouraging direct linkages of peer groups and professionals. Currently the EEC has 92 different STC programs in Asia funded by the EEC. A variety of mechanisms are used to institute these programs. For example, in the area of tropical medicine, a linkage is made between the Institute of Tropical Medicine in Hamburg and the Dacca University Hospital in Bangladesh. They put in a joint proposal to do research which is reviewed and adjudicated by an international committee.

D. Summaries of Selected Bilateral Programs

1. Germany

The administration of German development assistance programs is bifurcated--policy decisions are made by the Ministry of Economic Cooperation (MEC) and programs/projects are implemented by a number of specialized agencies or institutions, public and private. There are separate administrative frameworks for capital and technical cooperation. While there is considerable centralization at the policy formulation level, there is substantial institutional diversity at the implementation level. The two major executing agencies for German bilateral capital assistance and for technical cooperation--KfW and GTZ respectively--are private institutions. In addition to these two institutions, a number of private and quasi-private organizations play small but important roles in specialized areas, such as students' welfare, trainees, volunteers and the training of experts. These organizations' activities are financed from the MEC's budget.

Germany has no particular strategy for the MCs. It does, however, seek to tailor its cooperation with MCs (Germany uses the term advanced developing countries interchangeably with "newly industrializing countries") to their particular requirements. Apart from per capita income, other criteria for identifying such countries include a relatively high level of economic diversification, rapid industrial growth and increasing integration in the global economy. German cooperation with MCs focuses on cooperation in the private sector, in technology and science and in other areas which may have been neglected in the course of rapid, and perhaps unbalanced, development.

The instruments used by the Germans include the support of joint research and training programs between scientific institutions in Germany and the respective developing countries, promotion of private investment through investment promotion agreements and support measures by the German Finance Company for Investment in Developing Countries (DEG), the promotion of subsidiaries of German companies in developing countries through special loans; government guarantees, mixed financing in suitable cases; training of technical and managerial staff through support for in-plant training projects by Germany companies in

developing countries; and, appropriate manpower cooperation through the provision of experts. Priority is given to the establishment and expansion of small and medium-sized industrial, trade and agricultural enterprises.

To encourage private investment and strengthen private enterprise, Germany has established the most extensive system of incentives among the DAC members. It has setup a public finance corporation, the German Finance Company for Investment in Developing Countries, and has the traditional private investment guarantees, investment protection agreements and double taxation agreements. It also has developed various additional mechanisms or incentive measures. While these measures are not designed exclusively for MCs, private investment in such countries is relatively higher due to their stronger institutional environment. These mechanisms include:

- o **The Business Cooperation Program** which is an advisory service offered to entrepreneurs in developing countries to obtain access to specific know-how in Germany;
 - o **The Subsidiary Companies' Program** which provides highly concessional loans to small and medium sized German companies to set up, expand or participate in firms in developing countries;
 - o **The Technology Program** which promotes the transfer of new technologies in the framework of joint ventures to developing countries by the German private sector;
 - o **The Germany Appropriate Technology Exchange;** and
 - o **The On-the-job training program** which provides financial support to promote such training of developing country personnel by German subsidiaries established in developing countries;
6. United Kingdom

The British tend to relate to MCs pragmatically on a country-by-country basis. Their total ODA allocation (approximately £ 1.5 billion in 1988) was related to need which was tied, in turn, to GNP per capita in the various countries assisted. In 1988, the Overseas Development Administration (O.D.A.) provided assistance to 130 countries. Of its total bilateral aid which is allocable by country (£ 827 million), 14.4 percent was provided to lower middle income countries (GNP per capita of \$700 to \$1300) and 7.7 percent was allocated to upper middle income countries (GNP per capita of over \$1300). The remaining 78 percent was provided to the poorest countries. Roughly one-third was allocated to

non-Commonwealth countries. Fifty percent of this bilateral aid went to Africa and 35 percent to Asia; only eight per cent went to the Latin American/Caribbean region. Most countries do not totally graduate from ODA, though their ODA is diminished as their situation improves. Developing countries tend to move from Project Aid to Technical Cooperation (TC) as their GNP per capita increases. Nearly all (98 per cent in 1988) of the U.K.'s ODA is provided on grant terms.

The British have not tried to distinguish MCs in any systematic way and disaggregate their aid statistics in general terms only as noted above. They have no MC "policy statement". Those countries which have lower and upper middle income levels are eligible for concessional loans. These are also the countries that generally benefit from the Aid and Trade Provision (ATP) and Technical Cooperation grants which provide "know-how" in the form of technical advisors or training for nationals from developing countries. The ATP is an allocation of funds within the O.D.A.'s bilateral program. It is designed to assist British exporters to win sound investment projects in credit worthy countries. It is provided either in the form of mixed credits (where ATP grant funds are associated with export credits made available by the Export Credits Guarantee Department) or via soft loans in which the ATP grant is used to enable banks to provide long-term, low interest loans to recipient country governments for specific projects agreed with the British Government. ATP funds are allocated on a first come, first served basis. In 1988 the ATP allocation was £ 56 million.

ANNEX 1

Scope of Work

BACKGROUND

The purpose of this assignment is to organize, analyze and present information already obtained by Devres to further assist A.I.D. in its development of a Middle-income Country (MC) strategy.

ARTICLE I - TITLE

Development of a Middle Income Country Strategy
(Project No. 930-0092)

ARTICLE II - OBJECTIVE

Specific objectives of this assignment are to prepare analyses and summarization of information already obtained by Devres in each of the following areas:

Potential organizational and funding mechanism options for implementing a MC strategy;
Approaches to MCs used by other developed countries;
Perspectives of A.I.D. staff from different sectors and bureaus on MC strategy.

ARTICLE III - STATEMENT OF WORK

a. Planning Meeting

The Devres team will meet with the A.I.D. Project Manager at the Devres office to discuss the assignment. The purpose of this discussion will be to ensure that the focus of the team's analysis and summary of the information available address A.I.D.'s primary interests and concerns. The net result of this meeting will be the identification of two or three key issues in each of the three areas included in the scope of work that A.I.D would like to see addressed.

b. Document Review

The Devres team will review and organize the printed documents, interview notes, meeting notes and telephone conversation notes obtained during the earlier two ADC assignments in each of the three areas.

c. Analysis

The Devres policy specialists will organize the information in each of the three areas, analyze it and summarize the implications of the analysis for MC strategy development. The analysis will be guided by the key issues identified in the planning meeting noted above. The team will, to the degree possible, synthesize the analyses in the three areas and examine implications for A.I.D.'s planned MC strategy.

Personnel and Level of Effort

A three person team composed of Devres staff who participated in the initial two ADC assignments will be used for this effort. These staff members have expertise in policy analysis and data collection, analysis and synthesis. The members of the team and levels of effort are:

a. Policy Analyst

The senior policy analyst involved in the initial two ADC assignments for A.I.D. will be responsible for the overall management of the assignment. They will carry out the analysis, synthesis and summarization of the information available and will write the report. The Policy Analyst will devote a total of 23 person days to carrying out this assignment.

b. Statistical Analysts

Devres statistical analysis staff involved in the initial two ADC assignments for A.I.D. will assist the policy specialists in organizing the available information, filling in any essential gaps, and in describing mechanisms, approaches, perspectives, etc. The statistical analyst will devote a total of 10 person days to assist the policy specialists in completing this assignment.

ARTICLE IV - REPORTS

The Devres team will prepare a written report covering the three areas included in this Scope of Work. An analysis and summarization of available information and the implications of the analysis for development of a MC strategy by A.I.D. will be provided for each section. As appropriate given the data

available, each section of the report will also treat the key issues identified in the planning meeting. A final section of the written report will synthesize the analyses of the three sections to the degree possible and identify and examine any implications for A.I.D.'s proposed MC strategy. Devres shall provide A.I.D. with 10 copies of the final prepared report.

ARTICLE V - TECHNICAL DIRECTIONS

Technical Directions during the performance of this delivery order will be provided by Mr. Richard Sines, PPC/PDPR/RP Project Manger (Room 3893, NS) Telephone No. 202-647-7073 pursuant to Section F.3 of the contract.

ARTICLE VI - TERM OF PERFORMANCE

- A. The effective date of this delivery order is May 6, 1991 and the estimated completion date is August 6, 1991.
- B. Subject to the ceiling price established in this delivery order and with prior written approval of the Project Manager (see Block No. 5 on the Cover Page), Contractor is authorized to extend the estimated completion date, provided that such extension does not cause the elapsed time for completion of the work, including the furnishing of all deliverables, to extend beyond 30 calendar days from the original estimated completion date. The contractor shall attach a copy of the Project Manager's approval for any extension of the term of this delivery order to the final voucher submitted for payment.
- C. It is the contractor's responsibility to ensure that the Project Manager-approved adjustments to the original estimated completion date do not result in costs incurred which exceed the ceiling price of this delivery order. Under no circumstances shall such adjustments authorize the contractor to be paid any sum in excess of the delivery order.
- D. Adjustments which will cause the elapsed time for completion of the work to exceed the original estimated completion date by more than 30 calendar days must be approved in advance by the Contracting Officer.

ANNEX 2

List of Contacts for MC Mechanisms

LIST OF CONTACTS FOR MC MECHANISMS

Agricultural Cooperative Development International (ACDI)

Donald Crane
Senior Vice President of Management Services
202-638-4661

American Council on Education

Barbara Turlington
Director of International Education
202-939-9313

Asia Foundation

Cinnamon Dornfihe
Washington Representative
202-223-5268

Carnegie Foundation

Nancy Rathburn
212-754-4073

Cooperative Housing Foundation

Dick Owens
Advisor for Training and Cooperative Development
202-587-4700

Debt for Development Coalition

Jack Ross
President
202-467-0881

Embassy of Finland

Dr. Heinonen
Office of Science and Technology
202-622-1240

International Center for Private Enterprise

John Sullivan
202-463-5901

International City Managers Association (ICMA)
Elizabeth Keller
Associate Director, Office of Education
202-289-4262

International Executive Service Corps
Tom Carroll
President and CEO
203-967-6000

International 4-H
Gwen El Sawi
202-921-2869

Institute for Contemporary Studies
Freda Martin
Program Coordinator
415-981-5353

Jaycees
Lynn Endries
Assistant to International Affairs Program
918-584-2481

Kellogg Foundation
Norman Brown
President
606-968-0143

National Academy of Sciences/BOSTID
Jay Davenport
Senior Program Officer
202-332-2651

John Hurley
Director
202-334-2034

National Cooperative Business Association
Peter Bittner
Regional Director, Latin America and the Caribbean
202-638-6222

National Science Foundation

Bob Hardy
Deputy Director
202-357-9552

Pan-American Development Foundation

Donald Finberg
Deputy Director
202-458-3971

Partners of the Americas

Al Cohen
Director, University Linkages Program
202-628-3300

Rochester Brothers

Bill Moody
Program Associate
212-373-4200

Rotary International Service Club

Frank Stryczek
Service Supervisor for International Affairs
312-638-3555

U.S. Council for International Business

Joseph Gannon
202-377-2000

U.S. Department of Commerce

Susan Lipsky
Acting Director
International Policy & Programs
202-377-8014

U.S. Department of State

Marilyn Pifer
Program Officer
Science Bureau
202-647-4688

Karen Stewart

Economic Officer for Israeli Desk
202-647-2268

U.S. Office of Management and Budget

Dan Cantu
Budget Examiner
202-395-4594

Washington International Business Council

Soveig Spelman
Executive Director
202-872-8181

World Council of Credit Unions

Gordon Herd
Director of Information Services
608-231-8530

World Wildlife Fund

Jeff Leonard
Senior Fellow
293-4800

Curt Frasy
Vice President for Programs

Natalie Waugh
Vice President for Development and Government Relations

Diane Wood
Vice President for Latin America and the Caribbean

Michael Wright
Vice President & Director of the Osborne Center for Conservation and Development

ANNEX 3
List of Contacts for
O.E.C.D./Development Assistance Committee (Paris)
European Economic Community (Brussels), and
Overseas Development Administration (London)

LIST OF CONTACTS

O.E.C.D./DEVELOPMENT ASSISTANCE COMMITTEE (PARIS)

Peter Aicher (Dr.)
Administrateur Principal A L'O.C.D.E.
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Marvin Schwartz
International Development Advisor
011-33-1-45-24-74-33

Roman Bernaut
Development Co-Operation Directorate
011-33-14-524-90-14

Joseph Wheeler
Chairman
Development Assistant Committee
011-33-1-45-24-90-70

Wolfgang Buch
Conseiller
Delegation Permanente de la
Republique Federale d'Allemagne
011-33-1-45-01-73-88

Martin Degata
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U.S. Mission to OECD
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George Hansen
Sector Specialist
Development Cooperation Directorate

Rouille D'orfeuil
Ministries Affaires Etrangeres
Government of France

Erik Hedegaard
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Delegation de Danemark
011-33-1-45-04-12-70

Suzanne LaPorte
Conseiller
Delegation permanente din Canada
apres de 11O.C.D.E.
011-33-1-45-24-98-05

LIST OF CONTACTS

EUROPEAN ECONOMIC COMMUNITY (BRUSSELS)

Panagiotis Barzoukas
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011-32-2-235-71-19

Javier Tellez
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Directorate General for External Relations
011-32-2-236-29-09

Rolf Brenner, Dr.
Deputy Head of the Caribbean Division
Directorate General Development
011-32-2-235-60-97

Endymion Wilkinson
Head of Asia Division
011-32-2-235-54-53

Joseph Philippe Gregoire
First Secretary
United States Mission to the European Communities
011-32-2-513-44-50

Frank H. Hesske, Dr.
Directorate General for External Relations
011-32-2-235-96-06

Vilma Du Marteau
Direction General for External Relations
011-32-2-235-49-69

Erich W. Muller
Principal Administrator
Directorate General for External Relations
011-32-2-235-56-06

Dieter Oldekop
Chef adjoint de la division Amerique Latine
Director General for External Relations

Anton Reithinger, Jr.
Direction General Du Development
011-32-2-235-13-62

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LIST OF CONTACTS

OVERSEAS DEVELOPMENT ADMINISTRATION (LONDON)

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Latin America and Pacific Department
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Allen Michael
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011-44-1-273-3000

Christopher Raleigh
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011-44-1-273-3000

K. L. Sparkhall
Principal Finance, Management and
Administration Advisor
011-44-1-273-0242

Margaret Vowles
Head of China Section
Eastern Asia Department
011-44-1-273-0490