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Phase I

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EVALUATION REPORT

ACCELERATED IMPACT PROGRAM (AIP)

Project 625-11-995-910

A.I.D.
Reference Center
Room 1000 NS

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EVALUATION OF ACCELERATED
IMPACT PROGRAM (AIP)

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Part I INTRODUCTION

The revised procedures for the FY 76 Accelerated Impact Program (AIP) were approved by the Deputy Administrator on December 5, 1975 subject to certain conditions, including the following:

"The continued, future year applicability of the implementation procedures will be contingent upon a critical joint evaluation by AFR/PPC and SER of the effectiveness and adequacy of the system's programming, funding, financial, reporting and monitoring controls".

The implementation of the FY 76 AIP program was slower than planned; by September 30, 1976 only \$2.3 million was obligated of the \$5 million in the carry-over drought relief funds programmed for AIP activities in FY 76. Upon agreement with the Deputy Administrator, it was therefore decided to conduct the AIP evaluation in two phases, the first relating to the presentation and approval process and the second dealing with implementation, reporting and monitoring controls.

This report on Phase I of the evaluation was prepared jointly by the AFR, PPC and SER representatives listed below. It is now expected that Phase II will be conducted in the field by a three or four member joint AFR, PPC and SER team during January, 1977 with recommendations available to the Deputy Administrator about mid February, 1977.

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Part II. Overall Observations and Conclusions

A. Timeliness and Responsiveness of FY 76 AIP Program

As had been indicated in the preparatory stages of this evaluation, per AA/AFR Scott memorandum to the Deputy Administrator of 10/8/76, the FY '76 AIP had experienced difficulties and was behind schedule despite substantial advance planning and the widespread dissemination of the AIP criteria and detailed procedures. As of September 30, 1976, only \$2.3 million of the \$5 million programmed was obligated for 17 activities in 5 of the Sahel countries. At the outset, therefore, it was decided to conduct the evaluation in two phases: 1) an analysis of the presentation and approval process and 2) a review of the implementation and monitoring experience.

Despite the extensive experience with the similar Sahel R&R procedures and the lengthy preparations for the AIP program, it was perhaps overambitious, at least in retrospect, to expect the high volume of \$5 million in obligations within the nine-month period ending Sept. 30, '76, since AIP was a new program requiring more deliberate and intensive design efforts than R&R and also a considerably larger AID/W role in review, processing and monitoring. However, with somewhat more familiarity and experience, and longer advance preparation, an Africa wide AIP obligation level of \$8.5 million should be practicable for the full year FY 78. Because the FY '77 AIP program was delayed pending this evaluation report, only \$2 million is currently programmed for FY '77. Additional amounts should be allocated later in the year, if suitable activities are processed and approved and FY 77 funds become available for re-programming for AIP purposes.

In any case, this first stage of the evaluation has determined that FY '76 AIP program delays and deficiencies were attributable to two main factors, i.e. vagueness and confusion about AIP criteria and inadequate detail in the A-PID submissions.

B. Imprecision of AIP Criteria

The AFR Evaluation Report on R&R Procedures, which had proposed the new AIP as a follow-on to R&R and as a bridge to longer term Sahel and other African development efforts, also recommended that activities selected under the AIP mechanism be limited in general to three (3) categories Start-up, Pilot and Innovative activities. The actual detailed AIP Implementation Procedures, which were widely reviewed and circulated in draft, did not include this point, apparently by inadvertance rather than intention, although the original guidance was basically maintained, viz., new activities would be small, short-term between \$200,000 to \$300,000 permitting rapid implementation and addressing development problems of the poorest groups in respective countries more rapidly than regular programs. The formal approval of AIP sent by cable to the field Jan. 29, '76 referred to the AIP Implementation Procedures but added this attempt at clarification and amplification; "While activities should not be used to supplement regular programs, they may be used in a pilot or start-up capacity."

From the R&R Evaluation Report the field was well aware of the emphasis on pilot and start-up activities but questions and concerns about these categories did cause confusion, discussion, disagreement and delays in AID/W handling and processing.

In a similar manner, the AIP proposal had suggested that activities should be limited to sectors of concentration and approved key problem areas as outlined in the DAP substitute. But the approved AIP Implementation Procedures only included the stipulation that AIP proposals be "within areas of interest in the A.I.D. long term development program." The cable of Jan. 2, '76 sent to only three of the six countries, stated that "activities should be in areas which AID and Host Government are jointly assisting through AID's regular development assistance programs." This reference was not included in Jan. 29, '76 AIP cable to all concerned posts which, however, did mention, as indicated above, that activities "may be used in a pilot or start-up capacity."

Despite the vagueness of AIP criteria and associated problems, a small number of approved AIP activities, as shown in greater detail in Part V (B), did conform closely to the narrower limits originally proposed i.e. pilot, start-up or innovative. But the bulk of approved activities for FY '76 appeared to fit more nearly within the earlier immediate impact criteria of the R&R program framework, and resembled the self-help category. For FY '77, however, AFR/SFWA Missions have indicated that pilot and start-up activities are in fact appropriate to the current and prospective Sahel developmental situation.

In the view of the evaluation team, the basic AIP program objectives and corresponding criteria, which were originally intended to operate in the Sahel countries in a more controlled atmosphere than the R&R program with more intensive efforts on activity identification, selection, planning, design and development as well as closer monitoring during implementation, continue

to remain sound and valid. In addition, on the basis of the experience with AIP in FY '76, the program in FY '77 should in principle be opened to all African countries in which AID regular programs are currently operating, subject to any modifications or restrictions resulting from the second stage of this evaluation. Furthermore, serious consideration should be given to the initiation of AIP programs in one or more of the other regions in FY '78, or FY '79 if more time is needed to launch these programs.

For FY '77 and future years, the AIP criteria should be further strengthened and refined to distinguish more clearly AIP program objectives from the earlier R&R program and similar current programming elements such as Program Development and Support (PD&S) and the Expedited Track of Handbook 3. PPC should also assist by providing general guidance to the Bureaus on the inter-relationships among these several Agency programs for small scale activities and projects. Parts III and IV contain detailed recommendations for modifying AIP criteria toward this end as well as assuring more effort on AIP activity selection, planning and design.

C. A-PID Deficiencies and Difficulties in AID/W Processing

The approved AIP Implementation Procedures, which contained detailed guidance on the A-PIDs and the AILs, emphasized that the A-PID compresses the PID and PRP into one abbreviated document and must be of sufficient detail to present a "reviewable" proposal for AFR consideration. Because one time AFR/W approval or disapproval was to be based upon this single document, it was essential that the A-PID be of sufficient expository detail to permit adequate review and analysis. Furthermore, the AID Implementation Procedures stated that upon AFR/W approval of the A-PID, field posts were authorized to "commence" detailed activity planning and design with host government and implementing agency. Upon assurances from the field that design work was complete and the activity ready for implementation, AFR would thereupon initiate the Advice of Allotment.

Although AFR/W had requested cable submissions of A-PIDs in the interest of rapid processing, a number were descriptive and generally responsive to the limited documentation requirements of the approved AIP Implementation Procedures. Many, however, were short cables of only 2 or 3 pages each with only cursory responses for most of the individual items. Consequently, it became necessary to provide the field only with conditional approval, and to pose a long series of further questions to be answered prior to the design completion required for final AID/W activity approval and authority to issue AILs.

During the AID/W review process, particularly in the early months of '76 there was an intensive effort to provide quick responses to the field. A large group of A-PIDs from Mali and Mauritania, received early in February, '76, were reviewed by Activity Committee within about ten days and conditional approval cables were drafted shortly thereafter. However, the AID/W clearance process, though little or no change was made in these drafts, generally absorbed another four weeks before the actual cables were sent.

There were longer delays for a group of A-PIDs from Niger and Upper Volta, several received as early as Sept. '75, on which final approval or disapproval action was not taken until August or September, '76. In these cases, AFR/SFWA raised numerous technical questions in a series of cables extending over six months. In addition to the lack of detail, the review and processing of these A-PIDs was also complicated by the extensive shifts in AFR/SFWA staff following the broad AFR re-organization in April '76 and the priority attention of AFR/SFWA in this period to other larger and more substantive Sahel programs.

As contemplated in the FY '76 AIP, one time AFR/W approval or disapproval was to be based upon the review and processing of the single document, the A-PID, following which field posts would commence detailed activity planning and design with the host government. However, the A-PIDs did not in fact contain sufficient information and the review and approval process stretched over several months. A detailed analysis of content, quality and processing of the A-PIDs is contained in Part V(C).

To provide early agreement in principle between AID/W and the field on the suitability of any particular proposal, a procedure for the activity identification by short cable is detailed in the specific recommendations. To further expedite the AID/review process in the future, we propose that the AAP replace the A-PID as the single document upon which one time AID/W approval is based. However, the AAP will require more analytical and design details than the A-PID and it is therefore expected that the AAP approvals will be based upon final rather than preliminary activity design formulations. Accordingly, the entire AID/W review and approval process is likely to be shortened considerably, although somewhat more careful planning and design efforts will be required in the field. Details on the proposed AAP are discussed in Parts IV(B) and V(A)

Part III Summary Recommendations

A. General

1. The AIP should be continued in Africa in FY 77 and FY 78 under the modifications listed below and subject to any further changes which might be advisable as a result of Phase II of the AIP evaluation now scheduled for January, 1977.
2. When Phase II of this evaluation is completed, consideration might be given to the introduction of AIP or a similar program by the other Bureaus of the Agency, in FY 78 or FY 79. Meanwhile, PPC should issue guidance more clearly defining the distinctions among the several small-scale undertakings, viz., AIP, PD&S and the Expedited Track of Handbook 3.
3. For FY 77 in Africa, the programmed OYB amount of \$2 million is likely to be divided evenly between Sahel countries and other LCDs in Africa. However, no tentative budget levels should be established by country; instead, activity AAPs (formerly A-PIDs) should be approved on case-by-case basis with particular priority accorded to those activities most closely conforming to the new AIP criteria for Pilot, Start-up and Innovative activities. If a sizeable number of acceptable activities are anticipated, especially from non Sahel countries, AFR should seek the re-programming of additional FY 77 funds in order to avoid undue delays on sound Mission proposals.
4. For FY 78, the AIP should proceed on an Africa-wide basis at the planned level of \$8.5 million. USAIDs should be requested to update the FY 78 ABS submissions with supplementary lists of identified AIP activities and also to continue to submit AAPs (formerly A-PIDs) at any time during FY 77 and 78. AAPs processed but not approved in FY 77 because of limited funding availabilities might be approved and readied for obligation early in FY 78.
5. Upon Deputy Administrator's approval, announcement should be made of the continuation of AIP programs in FY 77 and FY 78, along with the modified guidance on AIP criteria, documentation and procedures. AAPs should be submitted, processed and, where possible, approved in principle (or conditionally approved) with the proviso, however, that commitment or obligation of funds through AIL issuance will be withheld until the completion of Phase II of the evaluation and any required changes introduced in the form or processing of the AIL or Grant Agreement, except for activities which may be specifically approved by the Deputy Administrator.
6. Since AIP in the future will be Africa wide, AFR/W should, at an appropriate time, assign to an office other than AFR/SFWA the main responsibilities for management, processing, approval, and monitoring.

7. Phase II of this evaluation, dealing with the AIP implementation experience, mainly financial reporting and monitoring controls, should be completed by Feb. 1 by a three or four member team with representatives nominated by AFR (team leader), PPC, SER/FM, SER/COM or SER/SYS. About 10-14 days should be spent in the field in selected visits to several or all six Sahel countries. Team recommendations, particularly on any modifications required for activity management, reporting, or monitoring, should be made promptly so that the FY 77 AIP program of \$2 million can be fully obligated prior to September 30, 1977.
8. AFR/W should schedule an annual AIP evaluation, conducted by appropriate AFR/W staff. These evaluations should be in greater depth than a regular PAR, but not be as comprehensive or detailed as the combined Phase I and II of this 1976 evaluation.

B. AIP Procedures (Criteria, Documentation, Procurement, etc.)

1. In the future, the AIP should concentrate on small-scale Pilot, Start-Up and Innovative activities falling clearly within country program sectors of emphasis and approved key problem areas and in the range of \$100,000 to \$300,000.
2. An Activity Identification Cable (AIC), about one page containing summary description and amount, is proposed as a means of projecting AIP funding requirements and expediting the review and approval process. Upon receipt of an AIC, AFR/W will have a period of no more than 15 calendar days in which to reject the proposal or to advise preparation of the AAP, with emphasis on any particular matters of concern to AFR/W. The absence of any AFR/W response would automatically indicate that further field design work was warranted.
3. The Accelerated Activity Paper (AAP) should replace the A-PID. The AAP will be an abbreviated document presenting a reviewable proposal for one-time AFR/W approval or disapproval and authorization of AIL issuance with no further design work required. The AIP will a short document of 8 to 12 pages requiring more detail and analysis than the A-PID, mainly on economic, social and financial considerations and implementation and evaluation plans. But the depth of analysis will be appropriate for small scale activities not regular larger scale projects.
4. In FY 77 and beyond, Grant Agreements might be negotiated in any of the participating non Sahel LDCs upon announcement of AIP continuation, at the end of the notification period for a specific country AIC, or at the latest at the signing of the first AIL for that country. Any further changes required in the form or procedures of the Grant Agreement or AIL will be considered in Phase II of this evaluation.

5. In order to minimize potential delays, AFR/W should proceed with the Congressional notifications required in FY 77 as soon as activities are approved. When authorizing the AIL and sending Advice of Allotment, AFR/W should caution Missions that the signing of AILs must be withheld until the end of the 15 day notification period.
6. Section 611, requiring preliminary engineering plans and drawings and detailed cost estimates prior to fund obligation for construction activities over \$100,000, will be applicable in FY 77 as it was in FY 76. Missions are expected to comply without great difficulty either through their own staffs or the assistance of REDSO.
7. In FY 77, the general prohibitions and restrictions of FAA will also apply to AIP. Therefore, it will be necessary to process waivers for justifiable requirements of non U.S. and non-local source procurement. AAP submissions should include justification for requests to AA/AFR for waivers in excess of \$25,000.
8. For AIP activities under new FY 77 funding, the Section 110(a) 25% host country contribution will be required for bilateral activities unless waived for relatively least developed countries. AAP submissions will need to indicate compliance with these statutory provisions.
9. The AID Project Checklist, App, 6C of Handbook 3, not germane for FY 76 AIP will apply to activities financed with new FY 77 funds. Missions should assure compliance but need not attach a completed Statutory Checklist to AAP submissions.

Part IV

Proposed Modifications in AIP Program and Procedures

A. Strengthening AIP Criteria

Vagueness and confusion about AIP criteria were key factors in the slow processing and implementation of the FY 76 AIP program and these recommendations are made to remedy that defect.

The principal recommendation is that henceforth AIP should be concentrated on Pilot, Start-Up and, in special cases, on one-time "Innovative" activities creating significant social impact and/or economic return. Explanatory notes on these three categories, which are to be included in the AIP Implementation Procedures, are shown below in detail. In addition, activities should fall clearly within the sectors of emphasis and approved key problem areas of country AID programs as defined by DAP and sector assessment analyses. Also, the range of activities should normally be \$100,000 to \$300,000 (with some up to \$500,000 on an exceptional basis). Under these criteria we aim to make clear the distinctions between AIP and two similar Agency programming mechanisms i.e. Program Development and Support (PD&S) and the Expedited Track of Handbook No.3.

PD&S has been instituted to finance appraisal, feasibility and related studies for use in the complex project design process through the standard PRP and PP document submissions and prescribed, rigorous AID/W review and approval procedures. However, AIP is instituted for the most part, to finance quickly those initial and actual project operations which can provide data, information and lessons learned to project evaluator/designers thus enabling them to formulate improved large scale long-term projects through the Agency's normal programming process.

The Expedited Track for regular projects under \$500,000 compresses the programming interval slightly by eliminating the submission and review of one document, the PRP. However, the PID is still required no later than 15 months prior to the beginning of the funding year and under these normal procedures many opportunities might be missed entirely or unnecessary delays incurred. The overriding advantage of AIP is that its procedures permit rapid responses to opportunities which may arise quickly and can provide valuable information in designing large scale development approaches. There is another distinction with respect to the source of major inputs. In contrast to the Expedited Track, the major technician, advisory and training inputs under AIP are to be available locally through either the host government, other donor, PVO or similar non AID source.

Corresponding to the above recommendations, the changes as below will be made in the AIP Implementation Procedures pages A-2 and A-3.

Section 1.2

Individual activities also should be:

- (1) Within the sectors of emphasis and approved key problem areas of country AID programs as defined by DAP and sector assessment analyses.
- (2) Be normally within the range of \$100,000 - \$300,000 (with some activity up to \$500,000 on an exceptional basis) and 12-24 months in duration; within the above guidelines the activities selected should be concentrated within the following three main categories:

(1) Start-up activities which provide the critical linkages and establish the necessary pre-conditions for the inauguration of identified, long-term development projects. In this case the output of the activity would be the crucial input for broader sectoral concerns.

(2) Pilot Project activities which provide the opportunity to field test high potential production packages or approaches having a likelihood of wide-spread application. Such pilot activities should be approved only when they are basic to the overall country development strategy and where there is a high degree of anticipated replicability and host country funding potential, for program continuation.

(3) Innovative activities determined by the USAID field Mission as responding to an identified, short-term need, related to the rural areas, and which can be expected to produce important results for needy people on the basis of a one-time input.

B. Modifications in AIP Documentation

Under FY 76 AIP Implementation Procedures, the A-PID was a single abbreviated document compressing the PID and PRP and presenting a "reviewable" proposal permitting AFR to make a one-time approval (or disapproval) of the individual AIP activity. Upon AFR/W review and approval, the field past was authorized to commence detailed activity planning and design, with the AIL issued only upon completion of the final design efforts required.

In practice in FY 76, the process of moving from A-PID approval to final activity design completion through AIL issuance was found to be tortuous and cumbersome. The modifications in documentation recommended herein are made to improve the review and approval process and are considered to be particularly appropriate to the developmental context of the AIP with its increased emphasis upon Pilot and Start-Up Activities.

It is proposed to replace the former A-PID with (1) a one page Activity Identification Cable (AIC) and (2) an Accelerated Activity Paper (AAP) which will continue as an abbreviated document presenting a "reviewable" proposal permitting AFR to make a one-time approval or disapproval of the activity and to authorize preparation and issuance of the AIL with no further design work required.

The AAP will require more analysis and greater planning and design detail than the former A-PID but it will be a relatively short document of 8-12 pages. The depth of analysis will be appropriate for small-scale AIP activities and not as elaborate or complex as normally required for regular, large scale projects. The substantive requirements for an AAP should be the same as described in Chapter 6 of Handbook 3 although the level of effort given to the analysis should be commensurate with the substantive importance of the project. This is essentially the guidance provided for small projects (less than \$500,000) of Chapter 7 of Handbook 3.

In the event an AAP submission does not contain sufficient information or analysis to warrant AFR/W approval, additional material from the field will be required. Further detailed explanations about the AAP are included in Part V(A), Documentation Consideration. Necessary guidance on the AAP submission will be inserted in the AIP Implementation Procedures.

The content of the AAP will include the following:

- a. Project Background
- b. Projection Description (including goal, purpose, outputs, inputs)
- c. Technical Analysis (includes environmental consideration)
- d. Financial Analysis and Plan
- e. Economic Analysis
- f. Social Analysis
- g. Implementation Planning
 1. Administrative Arrangements
 2. Implementation Plan (including skeleton PPT where useful)
 3. Evaluation Plan
 4. Conditions, Covenants and Negotiating Status

It should be noted that much of the project analysis will be based on tentative conclusions and the risky nature of the activities should be discussed in a forthright manner. It is recognized that some degree of failure can be expected but the result of AIP activities should provide valuable lessons in designing larger scale and longer term approaches to key development problems in agriculture, health and education.

Prior to the AAP, the Activity Identification Cable (AIC) should be required as an instrument for initiating the process, projecting funding requirements and expediting the AIP review and approval process. The AIC will be a brief one-page or less cable or other statement, with summary description and amount, to be submitted at any time during the fiscal year. Upon receipt of AIC, AFR/W will have a period of no more than 15 calendar days to respond, either to reject the proposal or to advise the field that the activity appears to conform to AIP criteria and to highlight any AID/W concerns which should be given particular emphasis in the AAP submission. However, the absence of any AFR/W response would automatically indicate to the field that further field design work has warranted.

In FY 77 and beyond, AIP will be available not only to the Sahel but also to other LDCs in Africa. Prior to the actual obligation of funds through the AIL, the AIP Grant Agreement must be negotiated. We suggest that field posts outside the Sahel may wish to begin these negotiations either at the time the FY 77 AIP is announced or at the end of the 15 day notification period for first AIC from the respective Missions.

Modifications or revisions in the title, form or content of the Grant Agreement and AIL will be considered in Phase II of this evaluation.

In view of the recommended expansion of AIP to include other African countries, the greater emphasis on pilot and start-up activities and the increased AFR/DR responsibilities for project implementation as well as project design, AFR may wish to consider a larger role for AFR/DR in AIP operations. In any event since AIP in the future will be Africa wide, AFR should, at an appropriate time, assign to an Office other than AFR/SFWA the main responsibilities for management, processing, approval and monitoring.

Part IV

G. Congressional Notification

In FY 77, Congressional notification under Section 113 will be required for each individual activity. Also, the CP for FY 78 will include a statement on the individual AIP activities programmed in FY 77 including those processed under Section 113. Understandings about these Agency undertakings were reached last Summer with Chairman Inouye and the Senate Appropriations Subcommittee on Foreign Affairs during the discussion on our FY 77 AIP request for \$8.5 million.

It is not anticipated that this Congressional notification requirement will result in any undue delay in AIP implementation. As soon as an activity is fully approved, AFR/W should proceed with the notification, authorize the Mission to prepare the AIL, along with the Grant Agreement, if not previously negotiated, and initiate steps for the Advice of Allotment. The Mission, of course, will be cautioned not to sign the AIL until the end of the 15 day Congressional notification period. It seems likely in most cases, particularly outside the Sahel, that the preparation of the AILs and negotiation of the Grant Agreements will absorb all or most of this 15 day period.

Part IV

D. Section 611

In FY 76 AIP funds were provided, under Section 494A (b) of the FAA, which authorized the use of such funds "notwithstanding any prohibitions or restrictions continued in this or any other act." Nevertheless, as a matter of policy, requirements under Section 611 were met, viz., prior to obligation of funds sufficient preliminary planning was completed to identify what was to be provided, how it was to be provided, the goods and services required, and an estimate of the cost. Construction activities required AID engineering review of the preliminary plans and cost estimates.

When regular program funds are used in FY 77, it will be again necessary to comply with Section 611, as well as other FAA provisions. It is not anticipated that compliance will cause any great difficulties or delays in implementation. Missions should be able to prepare the necessary plans and estimates either through their own staff or with the assistance of the REDSO Offices in Abidjan and Nairobi.

E. Procedural Changes

1. Commodity Procurement

Flexibility with respect to commodity procurement requirements was available in the FY 76 AIP because the funds used were provided under Section 494A(b) of the FAA which authorized the use of such funds "notwithstanding any prohibitions or restrictions contained in this or any other act." It was, therefore, not necessary to issue waivers for procurement from non-US and non-local sources. As a matter of policy, however, procedures were developed, described at pages 7-9 of the AIP Implementing Procedures, to assure a prudent procurement policy and to maximize US procurement wherever it was not detrimental to achievement of program objectives.

The FY 1977 AIP will not have the same degree of commodity procurement flexibility because regular program funds will be used. The sources of procurement generally authorized for grant financing are U.S. and local (for commodities mined, grown or produced in the recipient country or shelf items as defined and limited in Chapter 11 of Handbook 15).

It will be necessary, therefore, to justify waivers to other sources (origin), when appropriate, on the basis that exclusion of the proposed procurement will seriously impede attainment of foreign policy objectives and the objectives of the foreign assistance program when the waiver is to Code 935 countries, or that the procurement from the sources requested is necessary to the attainment of U.S. foreign policy

objectives or objectives of the foreign assistance program, if the waiver is for Code 941 countries.

Current AID policy regarding waivers, described at pages 2-8 through 2-11 of Handbook 15, maybe summarized as follows:

1. Mission Directors, including CDOs, RDOs and ADOs may issue waivers except for motor vehicles, for procurement not exceeding 25,000 per transaction;
2. AA/AFR may issue waivers for procurement not exceeding \$100,000 per transaction;
3. A/AID issues waivers for procurement exceeding \$100,000 per transactions;

(Note the shelf item rule, page 11-2 of Handbook 15 authorizes procurement of Code 935 commodities as shelf items up to \$2500 per transaction.)

Several options regarding procurement waivers may be considered for the FY 77 AIP:

1. Maintain AID current AID policy regarding waivers;
2. Request the Administrator to increase the amount for which Mission Directors may issue waivers on the grounds that this accelerated impact program requires action that may be taken more rapidly than normal program activity.
3. Require waivers in excess of \$25,000 to be justified in the AAP which is submitted to AA/AFR for approval.

Since AIP activities in FY 77 are expected to range between \$100,000 and \$300,000, requirements for non U.S. and non local source procurement should be accommodated, when justified, under Mission Director waiver authority (\$25,000) and a small number perhaps, under the AA/AFR waiver authority (\$100,000). Missions should therefore be instructed to include in the AAP submission a justification for waiver requests in excess of \$25,000. These requirements should be noted during the AAP review and the request for AA/AFR waivers should be processed as expeditiously as possible during the AID/W review and approval process.

Phase II of this evaluation will review the experience with commodity procurement in FY 76 under the guidance of the AIP Implementation Procedures. As a result of this review, further changes may be recommended with respect to the processing of these procurement waivers, as well as other pertinent aspects of the commodity procurement element in AIP.

Part IV

E. Procedural Changes

2. Host Country Contributions

For AIP activities financed under FY 77 regular program funds, the Sec. 110(a) requirement for 25% host country contributions will apply where activities are bi-lateral in nature. This provision, of course, does not apply to activities which are judged to be multilateral in nature. This requirement also may be waived for AIP activities in the relatively least developed countries, AAP submissions will need to indicate compliance with Sec. 110(a) provisions.

The AIP guidance accompanying the announcement of the AIP program in FY 77 should contain further details on satisfying these statutory provisions.

Part IV

E. Procedural Changes

3. Other Statutory Requirements

The AID Project Statutory Checklist, issued as Appendix 6C of Handbook 3, did not apply to the FY 76 AIP program, which was funded from the drought relief and rehabilitation account, but will be applicable to AIP activities financed with new FY 77 regular program funds. Of course, some of the statutory criteria are applicable only to loans and large grant projects. Nevertheless, Missions should consult the Handbook Checklist to assure compliance with statutory requirements. It will not, however, be necessary to attach a completed Statutory Checklist to the AAP submissions. If questions arise, Missions may wish to seek clarification from either the REDSO Offices or AID/W.

Part IV

F. Plan Outline for Phase II of the Evaluation

Phase II of the AIP evaluation will be conducted mainly in the field. The scope of work will be as stated in the AA/AFR memo to DA/AID, October 8, 1976, i.e., to evaluate implementation experience, and in the AA/AFR memo to DA/AID, December 12, 1975, i.e., to evaluate the financial reporting and monitoring controls over the AIP program. Though not directly part of the scope of work, there will be insights to be gained from a broad overview of the R&R programs' problems, implementation experience and impact.

The primary constraint for Phase II is that implementation experience will be limited. At the end of the transition quarter of '76, only 17 of the original 44 AIP proposals had been approved with the dates of obligation ranging between June 29, 1976 in Upper Volta to September 24, 1976 in Senegal. In addition, 9 activities were approved for Mali and Niger which we expect to be fully obligated the end of December 1976. Thus the actual implementation period studied in Phase II will be relatively short.

It is possible that obligations in Mali or Niger will not have been completed at the start of Phase II. In that case, it will be as useful to explore the reasons for the delays as to examine current implementation status and monitoring/control practices in the other Sahel countries.

To the extent practical, the evaluation will use the opportunity of the field visit to explain the major findings and recommendations of the Phase I report, to distribute any available guidance materials and to brief field posts on the anticipated AID program modifications.

It is proposed that Phase II be carried out by a three or four member team with representatives nominated by AFR/(team leader), PPC, SER/FM, SER/COM or SER/SYS. The respective Offices may wish to consider as team members personnel currently assigned in or near the six Sahel countries. About 10-14 days may be spent in the field in selected stopovers at several or all six Sahel countries, with members dividing the individual visits to the extent practical.

Field work should begin on or about January 8, 1977, and the Draft Report should be completed about Feb. 1, 1977. If such a schedule proves feasible, Phase II findings and recommendations may be submitted to the Deputy Administrator by Feb. 15, 1977.

We recommend that the FY 77 AIP be announced and proposals solicited, reviewed and processed as quickly as possible with the proviso, however, that authority to issue AILs and obligate new FY 77 AIP funds be withheld, except for individual activities approved specifically by the Deputy Administrator, until DA/AID receives and reviews the Phase II recommendations with respect to any required modifications in financial reporting practices and monitoring controls.

PART V. Detailed Discussion and Review of FY 76 AIP

A. Documentation Considerations

1. Review of FY 76

There are various options for implementation of the Accelerated Impact Program, ranging from a highly decentralized, minimum documentation system to one tightly controlled by AID/W with regard to processing and review and requiring detailed documentation.

In determining the optimum system to employ it is necessary to focus on the objectives of the program. If we determine that the objectives are to respond in a timely fashion to "pilot" projects or to a "start-up" of a new program, the normal procedure of requiring a PID no later than 15 months prior to the initiation of the funding year will result in many missed opportunities and unnecessary delay. Certain opportunities may arise quickly in AID client countries and a procedure should be developed to respond to them. The AIP can meet this need.

We believe, however, that too hasty a response, with too little analysis and planning increases the probability of failure in spite of well intentioned desires for quick action. Haste makes waste!

Our review of the original criteria and timing for the FY 76 AIP program indicates that, in the first few months particularly, too much emphasis was given to speed of action in design and implementation and not enough to the analysis and planning of key aspects of the activities to be undertaken. Among the initial A-PIDS, many lacked sufficient detail and analysis for AID/W review resulting in some rejections and in other cases requests by AID/W for additional information from the field. In addition, other activities were withdrawn by request of the USAID or the activity amounts were revised significantly. This was a clear indication that insufficient planning had taken place.

In searching for the most appropriate methods to carry out the stated objectives of the AIP, the team considered various alternative approaches. Based on the initial experience of the program, a consensus emerged that more analysis and planning are required if the activities are to be effective as "pilot" or "start-up" in a developmental context rather than as R&R immediate impact activities. While we believe the basic criteria for project selection is well conceived and should continue, documentation requirements should be altered to reflect the need for more detailed analysis and planning rather than uncritical descriptive pieces. Similar to the existing AIP guidelines, submissions which are considered complete in the first instance will be the one and only proposal reviewed in depth by AID/W. However, where the document does not contain sufficient information to warrant AID/W approval of the activity, and preparation of the Activity Implementation Letter (AIL) a further submission to AID/W will be required concentrating on those sections of the paper needing further analysis and/or information.

2. Proposed Accelerated Activity Paper (AAP)

As the activity paper submitted by the field is intended to be the sole analytical document, it can hardly be called a PID. We suggest that it be titled Accelerated Activity Paper (AAP). Necessary explanations and guidance on the AAP should be inserted in the AIP Implementation Procedures.

The content of the proposed AAP will include the following:

- a. Project Background
- b. Project Description (including goal, purpose, outputs, inputs)
- c. Technical Analysis (includes environmental considerations)
- d. Financial Analysis and Plan

- e. Economic Analysis
- f. Social Analysis
- g. Implementation Planning
 - 1. Administrative Arrangements
 - 2. Implementation Plan (including skeleton PPT where useful)
 - 3. Evaluation Plan
 - 4. Conditions, Covenants and Negotiating Status

As was the case for the A-PID in FY 76, the Accelerated Activity Paper (AAP) will continue as an abbreviated document presenting a "reviewable" proposal permitting AFR to make a one-time approval or disapproval based on this submission. The AAP must be of sufficient expository detail to cover in brief, for AID/W review and analytical purposes, the goal, purpose scope of work, time-frame and planned outputs as well as the implementing agent for the activity, other donor inputs, where applicable, and a budget. In sum, the AAP will cover all sections to be ultimately detailed in the activity Implementation Letter (AIL).

In contrast to the case for FY 76 A-PIDs, detailed activity planning and design are expected to be completed prior to AFR/W approval of the AAP. Concurrently with AAP approval, AFR/W should authorize field preparation of the AIL, proceed with the Congressional Notification required in FY 77 and initiate the Advice of Allotment. Upon receipt of the Advice of Allotment, the field post will be in position to obligate funds through the signing of the AIL for that activity subject to the terms and conditions of the AIP Grant Agreement which can be negotiated in countries outside the Sahel as soon as the AIP procedures for FY 77 are sent to the field. As discussed further in Parts III (B) and IV (B), certain changes in the Grant Agreement including the title, may be required in future years.

The length of the AAP document would generally be in the range of 8-12 single spaced pages but the activities are to be judged by the quality of the analysis rather than length. Too often description and extraneous material are substituted for tight analysis. If the project designers understand the activity and have a clear conception of it the requirements asked for herein should pose no great burden. If there is a fuzzy notion of the proposal the additional analytical requirements should tend to serve as a guide to clarify the activity design. This is especially important as the primary emphasis of the program is to provide results which pave the way for a much larger flow of resources.

It should be clearly understood that the evaluation team is not asking for the scope or depth of analysis required for much larger projects but that appropriate attention be paid to the necessary elements of project/activity design. This can only be judged, however, on a case-by-case basis. In this regard it should be clearly recognized that the pilot or start-up criteria implies that there are many unanswered questions concerning the appropriate technical measures for resolving the identified problem or set of problems and the corresponding developmental constraints being addressed. The AAP should be frank in admitting that, at this stage, there is likely to be more questions than answers and the results of the AIP activity will serve as a guide in order to design and implement more effectively a wider program. Thus, many of the analytical conclusions will be tentative and, in some cases, open to doubt and skepticism. Candor about the risk factors is preferable to the zealous advocacy nature of many AID project papers. It should be expected that a portion of the projects financed under the AIP will not prove worthwhile to continue on a larger basis. In most cases though, the results should give guidance for redesign in preparing for expansion of the activity.

3. Proposed Activity Identification Cable (AIC)

A distinguishing feature of AIP is the potential for rapid response to development opportunities which often arise quickly in cooperating countries. Consistent with this characteristic, it is important to differentiate the AIP documentation from that of the normal programming process including the Expedited Track, to encourage document submission and processing on a de-cycled basis and to keep to a minimum the tie-in with the ABS exercise.

Accordingly, we propose that an activity Identification Cable (AIC) be required as an instrument for projecting funding requirements, expediting the AIP review and approval process, and assisting AFR/W monitoring and management controls. The AIC will be a brief, one-page or less cable or other statement with summary activity description and amount, to be submitted at any time during the fiscal year. If desirable, for supplementary information purposes, AFR may still arrange the inclusion in the ABS of one-line items for proposed activities along with any additional detailed individual activity information available at that time.

The AIC can also assist the field with AAP document preparation through a kind of notification process. Upon receipt of the AIC, AFR/W will have a period of no more than 15 calendar days to respond, either to reject the proposal or to advise the field that the activity appears to conform to AIP criteria and to highlight any AFR/W concerns which need particular consideration and emphasis in the AAP submission. However, the absence of any AFR/W response would automatically indicate to the field that further activity design work was warranted.

4. AIP Document Management and Processing

The FY 76 AIP involved only the six Sahel countries, so AFR/SFWA (formerly AFR/CWR) was the natural focal point for administration, management and processing. The AFR/DR office had little or no input into the formulation of the AIP Implementation Procedures and only a relatively modest role in the approval process through attendance by some AFR/DR technical staff at the activity review meetings. In view of the recommended continuation and expansion of AIP and the increased AFR/DR responsibilities, under the recent Bureau organization, for project implementation as well as project design, the AFR Bureau may wish to consider a larger role for AFR/DR in AIP operations.

In any event, since AIP in the future will be Africa wide, AFR/W should, at some point, assign to an office other than AFR/SFWA the main responsibilities for management, processing approval and monitoring.

B. Character of AIP Activities and Conformance with AIP Criteria

The analysis in this, and the following section on A-PID quality, is based on a large selection of the 44 activity proposals. Since this study is an evaluation of the AIP program, the emphasis is on the AIP processes and mechanisms rather than the details of any particular activity proposal.

An effort was made in this evaluation to distinguish, to some to degree at least, between the basic activity proposal or idea and the quality of the actual A-PID submission. It was originally intended that the A-PID would present a proposal in sufficient detail to permit prompt AID/W approval or disapproval. However, there was considerable disagreement among the field and several AID/W Offices on the adequacy of the AIP documentation and the applicability of certain AIP criteria. In fact the vast majority of the 44 A-PIDs submitted underwent a very tortuous and cumbersome process of review, inquiry, conditional approval, field response and in some cases, the loss of the target of opportunity which the proposal had aimed to address. In other cases, the AID/W review process, which to some appeared overly rigorous for such small scale, experimental activities, did actually result in the salutary deferral of proposals where there was a high risk of ineffective implementation. In numerous instances, the basic activity proposal may have been noticeably better than its A-PID presentation.

In FY '76 there was considerable confusion about AIP criteria for activity selection. The original recommendation of the R&R Evaluation Report that AIP "in general be restricted to 1) Pilot, 2) Start-Up and 3) Innovative activities was not adopted in the approved AIP Implementation Procedures. A later AFR/SFWA supplementary guidance cable indicated only that AIP "activities may be used in pilot or start-up capacity".

While the official guidelines did not stress these categories, there was in both the field and AID/W Offices, considerable interest in according priority to activities meeting these criteria. An example was an animal health proposal in Niger which AID/W initially disapproved. However, it was later approved when the Mission demonstrated that the AIP activity concentrated in the same target area as the proposal regular project in Livestock and Range Management and did represent an acceptable "start-up" activity.

The examination of FY '76 A-PIDs reveals nevertheless, that most activity proposals aimed at immediate impact and thus fit mainly within the R&R program frame of reference, i.e. spot targets of opportunity to alleviate temporary bottlenecks. Several minor, self-help type activities e.g. social welfare kindergartens in Mauritania for children of displaced populations, fishing equipment for 20 youths in Senegal, re-conditioned motors for rice mills in Chad were "good works" eligible as AIP activities under the approved criteria but not squarely within the original intent of the AIP program, viz., that activities clearly relate to areas of AID's long term development assistance.

The approved AIP criteria specified that AIP proposals would normally range "between \$200,000 and \$300,000 (maximum of \$500,000 for special cases). AFR/W supplementary guidance modified the range to \$100,000 - \$300,000. Despite this increased flexibility, six activity proposals for less than \$100,000 each were approved. In view of the extensive AID/W resources required for the A-PID review and approval process, this lower scale of AIP activity is of dubious merit and should be discouraged in the future except in special cases where self-help, OPG or other alternative funding mechanisms are not practical.

There were several proposals, eligible under approved criteria, which are of questionable character because they appear to replace project components of other donors, chiefly UNDP, which faces budgetary difficulties. While collaboration with other donors is encouraged under AIP, the following examples because their relationship to AIP projects appears tenuous, are at best borderline cases, viz., clearance of Bol channel in Chad, helicopter spraying for trypanosomiasis eradication in Niger. Efforts should be made to avoid such AIP activities in future years unless a direct relationship is established to specific projects within AID's regular assistance program.

Of the 44 AIP proposals in FY 76, 11 were disapproved and 5 others were withdrawn by the Missions themselves. One of the latter was an emergency road maintenance proposal from Upper Volta which did not meet Sec. 611 requirements as determined in an examination by REDSO/WA. Generally, the proposals in this group were too hastily prepared, untimely or no longer appropriate because of changed circumstances. One of these was a scheme for using local resources to organize agricultural statistics to be used in a later regular project in Grain Marketing for Chad. In this case

the proposal was considered worthwhile in the context of pre-project implementation; therefore it was decided to defer initiation of the AIP activity until a PID was approved for the regular project scheduled to start in FY '78.

With greater emphasis on pilot and start-up activities in the future, an increased number of AIP activities in the future are likely to be related to regular projects in a similar fashion.

Despite the confusion about AIP criteria and problems encountered with many A-PIDs, a number of proposals did meet the basic AIP program objectives, viz., to improve food and livestock production, promote rural health and enhance non-formal education in rural areas. Rice seed procurement in Chad, agricultural cooperatives in Senegal and sand dune stabilization in Niger's Yegalalene Valley are examples of proposals which conformed closely to the approved AIP criteria but in particular identified outputs and purposes that appeared attainable within the prescribed two-year time frame.

In this context a clarification with respect to start-up activities is in order. Under the approved AIP criteria, activities are normally expected to have a measurable productive impact within a specified time frame usually 12 to 24 months. In the case of start-up activities it should be clearly recognized that identified outputs might not have a productive impact similar to the pilot or innovative activities but would serve as crucial inputs for identified, long-term, regular development projects.

C. Content and Quality of A-PIDs

Under the AIP Implementing Procedures, the A-PID was to be the single document for AID/W review upon which one-time AFR/W approval or disapproval of the proposed activity would be based. In FY 76, the A-PIDs did not satisfactorily serve this purpose as intended. Most A-PIDs were short cables or documents, largely descriptive in nature and lacking sufficient information and analysis to facilitate prompt AID/W review and approval. The following were the principal reasons for the difficulties.

1. The A-PID was required only to outline briefly the purpose, goals, scope of work, time frame, identification of responsible implementation agency, other donor inputs, host government inputs, budget outline, implementation schedule and the manner in which the proposed activity meets AIP criteria. This kind of information and analysis proved insufficient for purposes of AID/W review and approval.
2. During the period of transition from R&R to AIP and prior to AIP program approval, AFR/W had requested brief cable summaries of AIP proposals for the preparation of the FY 77 CP. Many summary A-PIDs from Chad, Niger and Upper Volta were received in AFR/W before the FY 76 guidance messages were sent. A-PIDs from Mali, Mauritania and Senegal were based on the draft AIP Implementing Procedures and many of these were short, 2 or 3 page cables. The submissions from Mali, e.g. contained only one line descriptions for most of the topics required in the A-PIDs. The AFR/W cable officially announcing approval of the FY 76 AIP program continued to request A-PID submissions by cable. As a result most of A-PIDs, especially the early submissions, provided little basis for substantive AID/W review. Furthermore, at this period it was not clearly recognized that substantive AID/W review was intended or required.

3. The choice of the term A-PID, standing for Accelerated Project Implementation Document, was unfortunate because of the confusion with the regular PID and PRP (The term PID, of course, stands for Project Identification Document, requiring little in the way of analysis.) Despite repeated explanations that the A-PID should be a single abbreviated document, compressing PID and PRP, and of sufficient detail to present a "reviewable" proposal for AFR/W consideration, the actual submissions resembled neither the PID nor the PRP. It is perhaps understandable that Missions might misinterpret the AID/W intent because they were still thinking that earlier R&R procedures were merely being regularized in a new form.

The extent of confusion is further illustrated by the reaction in a message from the Chad Mission that "A-PIDs were viewed as regular PIDs and "A-PID summaries as streamlined versions there of". This shows a misreading of the AIP-guidance and helps explain the inadequacies of the A-PIDs submitted. The regular PID or Project Identification Document was not considered a basis for approving an activity for obligation; in fact AFR/W had clearly indicated that the A-PID was not analogous to a PID but was an Accelerated Project Implementation Document. To help remedy this confusion and to further improve the AID/W review and approval process, we recommend two documents for FY 77, viz., the AID, or Activity Identification Cable, and the AAP, or Accelerated Activity Paper, as discussed in further detail in Part V (A).

The problem of A-PID deficiency was accentuated by differences within AID/W on the review process. AFR/SFWA felt the reviews of AIP should be less rigorous than for normal projects in order to facilitate prompt response and to take timely advantage of targets opportunities. PPC and a number of representatives from other AFR offices on the other hand argued that substantive reviews were particularly important because authority to issue

AILs was meant to follow immediately upon the approval of the single AIP document, the A-PID. In fact, because many A-PIDs were lacking in information, the submission of some AILs to AID/W for prior approval before issuance was necessary.

There were several instances in which the review process appeared to bog down in lengthy discussions of intricate technical details. A Chad submission e.g. proposed an innovative technology involving an element of "low-cost engineering." PPC felt the A-PID was lacking in beneficiary and economic analysis and that the labor intensity factor was not clearly demonstrated. In the future, it is expected that arguments of this kind will be resolved with less difficulty through the documentation modifications recommended in this evaluation in Part IV(B).

There were similar difficulties with a proposal for a pilot AIP activity to stabilize sand dunes in the Yogalalene Valley of Niger. Initially AID/W commended AID and CARE for this proposal which ideally fit AIP criteria and also proposed TDY assistance because of the scheme's potential. During extended cable traffic with the field, various arguments were made; the field emphasized the activity's experimental character while AID/W contended that a body of knowledge already existed which should be incorporated into the activity design. Because of the delays in AID/W approval, CARE decided to drop the AIP proposal and proceed with its own funding for a year on a pilot basis, following which it would seek OPG funding for project expansion.

Another Niamey proposal involved the use of Peace Corps volunteers as implementing agents. The A-PID was reviewed in AID/W over several months and the submission of the AIL to AID/W was required. One of the questions raised on several occasions by AID/W concerned the assurance of Peace Corps participation.

The activity still was not yet approved when the required volunteers actually arrived in the country.

Our examination has shown that, despite several well prepared documents, A-PIDs were generally of a poor quality and may have been inferior to the activities proposed which may have been fundamentally sound. A number of the A-PID deficiencies and problems encountered during their review in AID/W are identified below for the information of both field and AID/W offices, with the expectation that these difficulties can be avoided in the future.

- little analysis of a government's commitment to maintenance of a public works undertaking, except to state that this had not been a problem elsewhere.
- little to no analysis of the institutional capacities of the implementing agent and/or its budgetary commitments to the project for the future.
- little explanation of the missing linkages which would enable outputs to achieve project purpose, or how one output can achieve a particular purpose.
- proposals to replace a component of another donor's project when that component had either been overlooked in the other donor's project design or had become an expense which the other donor could supposedly no longer finance.
- inadequate analysis of the relationship of proposed AID inputs to an AIP activity with those of another donor either already in progress or planned for the future.
- inadequate budgetary analysis and breakdown.
- inadequate recognition and treatment of a major development problem such as small farmers' knowledge, ability and agreement to use pesticides.
- over-dependence on the outcome of a larger and longer program to achieve results thus raising a serious question with regard to achieving the required AIP impact within an accelerated time-frame.
- ambiguity on the definition of life-of-project (2 years maximum); if an activity for example is to establish a revolving fund, is that a sufficient output or purpose for AIP in lieu of quantifiable production results?
- inadequate description of beneficiaries and how project outputs were to be secured, mainly if not only for the rural poor.

- programming an AIP activity for an operational phase when sub-project design required the results of an initial survey and inventory phase.
- absence or inadequate discussion of a training component when such should have been a material part of the proposed undertaking.
- justification of AID involvement in a particular sub-sector based on other activities/projects proposed for AID financing in that same area, only to be confronted by the demise or postponement of these other proposals.
- inadequacy and/or delays in the cost estimates for activity components leading to the discovery that a signed AIL was not a realistic prospect.
- insufficient consideration of the need and prospects for replication given the size of inputs proposed for pilot activity.

The above listing of A-PID problem areas is illustrative of the FY 76 AIP program. Because of the design deficiencies noted many A-PIDs were only approved conditionally and in several of these cases subject to AID/W approval of the AIL. On the basis of experience gained in FY 76 and the modifications proposed in AIP criteria and documents, much less difficulty is anticipated in the future.

D. AID/W Review and Approval Process

1. Background

The Accelerated Impact Program (AIP) emerged from the Sahel Recovery and Rehabilitation Program (R&R) and the proposal for its establishment together with detailed criteria was the principal recommendation of the AFR Evaluation Report on R&R Procedures which was widely circulated in AID/W and the field. For the FY 76 Africa Bureau AIP program, the procedures were developed by a three-member Task Force representing AFR, GC, SER/FM and SER/COM and were built upon the techniques of the R&R program but with certain basic changes to strengthen and tighten these procedures in order to correct deficiencies noted in the AFR Evaluation Report as well as Audit Reports of the Auditor General (AG) and Inspector General (IGA).

Upon review and concurrence by PPC and SER, the new AIP procedures were approved on a pilot basis by the Deputy Administrator on Dec. 5, '75 and presented to the Second SFWA Workshop in Niamey in December. Prior to this formal approval, draft procedures had been circulated in November among AFR/SFWA Missions in the six Sahel countries.

Thus it seems clear that the basic approach, objectives, criteria and procedures for the new pilot AIP program were reviewed in-depth by AFR/SFWA field Missions and all or, at least, most of the appropriate officials in AID/W.

2. AFR/W Guidance and Internal Procedures

AFR/SFWA sent two cables to the field in January '76, thereby advising approval of AIP in FY 77 subject to an evaluation in September '76 summarizing briefly AIP criteria (previously detailed in the draft proce-

dures sent to the field in November), requesting A-PID submissions by January 31, '76 and emphasizing that A-PID's should summarize each section that would ultimately be detailed in an AIL and basically include in summary: a) activity identification; b) description of activity, personnel, and relation to AIP criteria; c) related U.S., host government and other donor activities; and d) the implementation schedule.

The cable of Jan. 2, '76 sent only to Senegal, Mali, Mauritania and Gambia, reminded Mission that A-PIDs compress PID and PRP into one abbreviated document but must be of sufficient detail to present a "reviewable proposal" for AFR consideration. The cable of Jan. 29, '76, sent to all six Sahel Missions with information for Cameroon, indicated tentative budget levels for all Missions, subject to later modification during the AID/W review of A-PIDs, with additional amounts and/or activities possibly approved during the second phase of the review process. The AIP criteria summarized in the previous message were repeated with the added clarification that while activities should not be used to "supplement regular programs, they may be used in a pilot or start-up capacity."

During Jan, '76 AFR/SFWA (formerly AFR/CWR) refined its guidelines for A-PID review, the latest version issued 2/25/76, specifying project committee participation by PPC, SER/CPM/PP and other appropriate offices. After high level discussions on the proper role of the non-AFR Offices, the following was incorporated in the AFR/SFWA review procedures "In preparing final cables views of all project committee members will be sought; however, the final cables and the decisions therein are the responsibility of the Africa Bureau". It was also stipulated that SER/COM/PP would independently submit to field

posts U.S. commodity procurement information for AIP activities approved for implementation. It was further indicated that procedures would continue to be revised on the basis of the first phase A-PID reviews.

3. AID/W Review Process

In actual practice, the AFR/W approval cables were cleared with all project committee members and their offices were cited although each cable constituted an AID/W concensus and the respective individual office comments were not identified. Also, in most of the approval cables, reference was made to the priority attention needed for local procurement. For U.S. items, Missions were explicitly advised to consult REDSO/WA and AAPC for assistance and that SER/COM would also provide pertinent information and advice.

A total of 44 A-PIDs were received, almost half during early Feb. '76, six in the fall of '75 and the remainder during the March-June quarter '76. Serious AFR/W review was initiated early in Jan. '76 and several cables for Chad were soon ready for DAA/AFR approval when initial review issues surfaced. While acknowledging that AIP procedures were designed for rapid responses to the field, DAA/AFR requested that the AID/W review process be particularly careful and thorough in order that the first A-PIDs approved were the right ones. Furthermore, he asked SFWA to ensure that activity technical aspects were properly reviewed, the appropriate AFR offices and staffs were involved in the review process and that the required non AFR/W offices participated in the reviews and cleared the cables prepared for approval.

Shortly thereafter (2/13/76), a summary cable for Mali was drafted citing 7 activities conditionally approved and 4 rejected. Mainly because of the haste to submit A-PIDs by the requested Jan. 31, '76 date, the A-PIDs from Mali were particularly short and skimpy. The announcement cable (1/2/76) stated that the "A-PID compresses PID and PRP into one abbreviated document but must be of sufficient detail to present a reviewable proposal for AFR consideration. However, there was still some confusion as to the nature of this "compressed" document. Within a few weeks (2/27/76) the full group of individual cables for Mali was completed in draft. The activities conditionally approved were considered fundamentally sound but because the A-PIDs lacked sufficient detail for decisions, a series of about ten technical and program questions was raised in each of the separate activity cables. Field representatives present during the reviews indicated that A-PIDs were intended to provide detail sufficient only to cover preliminary design stages.

While the conditional approval cables for Mali were prepared in draft at the end of February, AID/W required another month to complete the clearance process and the actual cables, unchanged from the drafts, were only dispatched on March 30, '76. The case for Mauritania was similar; six A-PIDs were received at early in Feb. '76; the draft cables conditionally approving two activities and rejecting four were completed on 2/23/76 but were not actually dispatched until April 17, '76.

In FY 76 the AID/W review process required about five months; almost all the conditional approval cables were sent by the end of April '76 and the final approvals or disapprovals by the end of June '76.

However, there were further complications and delays with six A-PIDs from Niger and Upper Volta, several received as early as Sept. '75, on which the final approval or disapproval action was not taken until August and September '76. In these cases, AFR/SFWA raised numerous technical and activity design questions "in seriatum" in a series of cables extending over six months. The main reasons for these delays were the extensive shifts in the AFR/SFWA staff backstopping these Entente countries, following the major AFR re-organization in April '76, and the priority attention of AFR/SFWA in this period to other larger and more substantive Sahel programs.

As contemplated in the AIP Implementation Procedures, one time AFR/W approval or disapproval was to be based upon the review and processing of the single document, A-PID. Upon the approval of the A-PID, field posts would commence detailed activity planning and design with the host government and implementing agency. However, the A-PIDs did not in fact contain sufficient detail and the approval process stretched over several months as numerous cables were exchanged with the field prior to the completion of acceptable activity designs.

To improve and shorten the AID/W review process in the future, we propose that the AAP replace the A-PID as the single document upon which one time AID/W approval will be based. However, the AAP will require considerably more analytical and design details than the A-PID and it is therefore expected that AAP approvals will be based upon final rather than preliminary activity design formulations. Accordingly, the entire AID/W review and approval process is likely to be shortened considerably in the future, although more intensive planning and design efforts will be required in the

field.

Part V

E. AIL Issuance, Grant Agreements and Monitoring

It was the intent of the evaluation team to include as one aspect of the Phase I AIP evaluation a thorough review of Grant Agreements, AILs and other field obligation/agreement documentation to evaluate the quality of these documents. As of September 30, 1976, cable correspondence and the official accounting reports submitted by five countries (Chad, Mauritania, Niger, Senegal and Upper Volta) indicate that Activity Implementation Letters for 17 AIP projects, obligating approximately \$2.3 million, had been executed. (Mali was the only country that had not executed an AIL as of 9/30/76.) However, only two of the five Grant Agreements and five of the 17 AILs were available in Washington for review. In view of the limited number of obligation/agreement documents available for review during Phase I, this aspect should be included in the scope for the Phase II evaluation.

The only agreement/obligation documents that could be located in Washington were the Grant Agreements for Senegal and Mauritania, the four AILs for Senegal and one AIL for Mauritania (Construction of a Social Welfare Kindergarten). The comments that follow are based on review of this limited documentation and therefore some of the comments/findings may not be applicable to documentation executed by the other countries participating in the AIP.

1. Review Comments

Both the Grant Agreements and the AILs were prepared in a hurried manner resulting in several comparatively minor errors and discrepancies. For example, the Senegal Grant Agreement copied the draft agreement transmitted to the field by AID/W, but in three instances (Sections III.B, IV.B, and V.E of Annex A) the typist apparently skipped a line when copying from the draft. The Grant

Agreement for Mauritania was copied from the draft so exactly that it even includes references to footnotes (but not the footnotes) that were in the AID/W draft agreement to provide guidance to the field staff. While these are not serious, they are indicative of the haste with which the documents apparently were processed in the field.

However, there were in addition other more substantive deficiencies. For example, none of the AILs contain a listing of items to be procured from the U.S., although required by the Agreements, nor do they contain a statement that the items will not be procured from the U.S. The AIL for the Agricultural Cooperatives Project in Senegal states in one place that "All funds will be expended by December 31, 1976" and in another place allows 24 months from date of signing the AIL or until September 24, 1978.

The budget breakdown in the Mauritania AIL for Construction of a Social Welfare Kindergarten contains several line items, but a perusal of the line items of the budget shows that in reality the AID funds are simply to pay for construction of a building. While there is nothing wrong with using the AID funds solely for the construction costs, by itemizing the costs as done in the AIL it gives the appearance of trying to stay under \$100,000 for each type of cost. Under this same project, the AIL does not contain any covenant or commitment on the part of the Mauritania Government which would insure that the building would be used for the purpose (people) or target group for whom it was intended.

The AIL for the Youth Fishing Co-ops in Senegal is vague as to what the Government will contribute to the project, in terms of technical assistance (there is no monetary commitment on the part of the GOS).

2. Recommended Follow-Up Actions

AFR/SFWA should take action immediately to obtain copies of all Grant Agreements and Activity Implementation Letters issued and to establish a control and follow-up system which will ensure that all future agreements and AILs are received in a timely manner.

AFR/SFWA should notify field posts of the deficiencies noted in the agreements and AILs and, where appropriate, instruct them to make the necessary amendments in the respective documents.

3. Activities Under \$100,000

The AIP implementing procedures, approved in Dec. 75, provided that individual activities should normally be within the range of \$200,000 to \$300,000 (this was modified by State 020302 of Jan. 27, 76 to within the range of \$100,000 to 300,000) with some activities up to \$500,000 on an exceptional basis. However, of the seventeen executed under the AIP as of Sept. 30, 76, six were under \$100,000 and only four of the activities were over \$200,000. In this connection, it should be noted that during discussions of the proposed \$8.5 million AIP for FY 77 before the Senate Appropriations Sub-Committee on Foreign Affairs in June, 1976, Senator Inouye asked for more details on the individual activities and countries involved. In response, Mr. Murphy proposed Congressional notification under Section 113 during FY 77; he also agreed to include in the FY 78 Congressional presentation a report on specific AIP activities processed through Section 113 during FY 77 but he stated frankly the Agency's inability to predict in advance these small-scale (AIP) requirements, some which might require only \$25,000 or \$50,000.

Nevertheless in view of the Agency's limited personnel resources relative to the time and resources absorbed in analyzing a proposed AIP activity, preparation and review of an A-PID or APP, executing an AIL, implementing and monitoring an AIP activity, the evaluation team now believes that future activities of less than \$100,000 need not be ruled out completely but should only be approved under AIP procedures in exceptional circumstances, e.g. where the use of OPG or Self-Help procedures is not practicable.