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AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D.C 20523

THE ADMINISTRATOR

The Honorable Mickey Edwards
Subcommittee on Foreign Operations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Edwards:

I am pleased to submit to you nine reports assessing the management and performance of A.I.D./Washington offices and directorates. These reports were prepared by four teams of senior professionals containing four members each.

This cross section of professional officers was selected to assure the highest quality reports based on maximum objectivity. The reports enclosed herein reflect the views and conclusions of the teams.

These studies provide interesting and useful insights and information which the Agency must evaluate seriously. Accordingly, we will conduct a detailed review of the reports to assure that the value of the teams' studies will be fully considered by the Agency. I am also instituting action to incorporate similar reviews of A.I.D./Washington offices into our regular management program.

Enclosed is an overview of common themes and summaries of all the assessments as well as the separate reports of the nine offices.

Sincerely,

Alan Woods

Enclosures

Overview

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, included in the fiscal year 1988 Continuing Resolution, requires A.I.D. to submit reports to the Appropriations Committee by April 15, 1988, assessing the management and performance of nine A.I.D./Washington offices and directorates.

The Appropriations Committee stated that in reporting on the relevant offices, "A.I.D. shall assess the validity of the goals and objectives of the office or directorate, how well these goals and objectives are being achieved, the performance of the office or directorate in providing services, as appropriate, to other bureau offices and/or to the Agency's overseas missions, and, given competing demands being placed on overall Agency resources, whether appropriate personnel and funding resources are being made available for the office or directorate." The Committee indicated that it was particularly concerned with how effectively these offices support A.I.D.'s field missions and how well central offices' programs are integrated into the field mission's project portfolio.

There are several common themes that run through the nine reports that should be highlighted before presenting summaries of each report. Generally, the teams concluded that the offices studied have valid objectives, that those objectives are being achieved, and that the general performance of these offices is satisfactory. Also, the teams stated that all of the A.I.D./Washington offices that have a field support responsibility are effectively meeting field requests and needs. These conclusions were based on extensive interviews with A.I.D./Washington staff, mission staff in Washington on temporary duty and cables from all field posts. At the same time, the teams recognized some constraints to A.I.D./Washington's performance. First, the teams report that a number of offices are facing both staff and operating expense budget shortages, thereby putting workload pressure on staff and limiting field travel and interaction with mission personnel and programs. Second, the teams generally believed that central offices needed more Foreign Service officers on their staffs, and that restrictions and grade ceilings on GS employees in all offices inhibit the flexibility to fully use these officers. Third, several teams pointed out that the lack of adequate and up-to-date automation restricted the capability of some offices to function as effectively as they might otherwise. Finally, several teams urged the central offices to do a better job of marketing their services and products to

regional bureaus and field posts in order to maximize the utilization of the central offices' programs.

Summaries of Team Studies

1. Bureau for Science and Technology, Directorate for Human Resources, Office of Education

The team concluded that the office's areas of concentration appear to be appropriate, though they conclude that more responsiveness to the regional bureaus is needed in vocational, management and in-service training. They concluded that: organizational responsibilities were currently appropriate; the Regional Bureaus and the Education office work well together; there is a need for Foreign Service officers in the Office of Education, although it appears there are more positions than warranted, and, as a result, management should review staffing levels; and the Education Sector Council appears to be performing useful and necessary functions.

2. Bureau for Science and Technology, Directorate of Health

As a general conclusion, the team believed that the Health Office's performance was good, despite its heavy workload. This was reinforced by comments from the Regional Bureaus and field missions which express satisfaction with the quality of services received. The demand by the field for assistance is strong and the staff workload is heavy. Certainly, some of this is an outgrowth of the office's expanded program in Child Survival activities, which has caused both staff and budget strains, especially with competition for funds from field posts. The team also found some confusion over organizational responsibility in the Child Survival program, and identified projects in the Office of Health's portfolio regarded as low priority by regional bureaus. The teams did note, however, that some of the Office of Health's projects reflected Agency, though not necessarily mission, priorities. The team also concluded that the office needs Foreign Service officers on its staff.

3. Bureau for Food for Peace and Voluntary Assistance, Office of Private and Voluntary Cooperation

The team concluded that this office's tasks and objectives are well defined, are integrated into Agency policy, and are responsive to legislative mandates. The office is given high marks for its work within the Agency and with the PVO community. The team also concluded that it is organizationally well located, but needs Foreign Service officers on its staff

and needs more field contact, but limited staff and operating expense constraints preclude greater interaction. The team also suggested that the office should create a greater awareness of its programs and services with the bureaus and field posts.

4. Office of The Science Advisor

The team pointed out that the objective of the Science Advisor's office is to fund scientific research, and that the office is not designed primarily to serve field missions. As such, the office is effective in promoting its grant proposals, and its grant selection process is well articulated. The team concluded the decentralized system of grant management should be retained, though stronger system support and guidance should be provided by the office. The team commented that the overall assessment of the quality and impact of the Science Office grant program, now underway, is timely. The team concluded that the organizational placement of the Advisor's office appears appropriate, but suggested that its role, organization and function be reassessed at the beginning of FY 1989.

5. Bureau for Program and Policy Coordination, Office of Economic Affairs

The team concluded that the objectives of this office are clear, valid and achieved, operating with a small staff which faces a high demand for its services. They noted that the office does not directly serve many missions' needs, but was never intended to do so. The predominance of the office's efforts are directed to A.I.D./Washington offices and bureaus. The study team found that research conducted by the Office of Economic Affairs is relevant, thorough and helpful in bringing new ideas into the Agency. While the office produces good work over a range of functions, it, too, suffers from a staff shortage especially of Foreign Service officers. These shortages will be felt more heavily if, as expected, the role of the office expands.

6. Bureau for Program and Policy Coordination, Center for Development Information and Evaluation

The study team found that CDIE's goals and objectives are valid and the office has made good progress toward achieving them. The bureaus and field missions reported that the office is responsive, relevant and prompt, and is rated favorably, especially its information, research and reference services. However, demand for CDIE's evaluations and "lessons learned" reports are not regularly or evenly used. The team also

concluded that the office is properly organized, but its effectiveness suffers from lack of physical access to and integration with its own bureau and other offices. The team found that CDIE needs to get Agency agreement on the kinds of computer equipment, software applications and information storage technology it requires to meet the increasing demand for its service, it needs to market its product better to expand use of its services, and it needs to have fewer studies because of information overload. The office also should establish priority for studies and focus on quality control, rapid turn-around time and better dissemination and utilization of its products.

7. Bureau for Asia and New East, Office of Project Development

The study team felt that this office meets its stated objectives and establishes and maintains high standards of quality. Field reactions were that the office appropriately serves their needs and interests, including the provision of a variety of useful reports. The team also noted that current staff levels appear appropriate, but recognized that GS employee restrictions as to flexibility of use and grade ceilings hindered the office's ability to attract and retain professional GS staff. The team also noted that a shortage in computers and word processors reduced the office's efficiency.

8. Bureau for Private Enterprises

The primary conclusion of the study team is that the Private Enterprise Bureau has operated a program parallel to the operating bureaus, and thus has not been adequately integrated into the mainstream of A.I.D.'s operation. The result is a communications gap between PRE and operating bureaus and field missions which limits the Agency's effectiveness in reaching its goals in private enterprise development. Nevertheless, the team feels that A.I.D. has been successful in instituting a private sector initiative which is now well established in the Agency. It is time, they conclude, to move to a second phase in A.I.D.'s private sector initiative by setting a new role and a new set of relationships for the PRE Bureau. They suggest that the revolving fund program be shifted from exclusive PRE control to a "corporate type" structure wherein the regional bureaus become equal partners. Next, they suggest that PRE be given a mandate to become a "center of excellence" as a staff and service function within A.I.D. on private enterprise matters. Another general conclusion reached by the team was that PRE's objectives are clear and consistent with the overall goals, though staffing and funding constraints have limited PRE's focus. The team was

positive on PRE's efforts at introducing innovations in A.I.D.'s private enterprise program, primarily as a provider of technical services, but did note that the staff lacks experienced private sector executives. The team also urged more effective links with other international donors.

9. Bureau for Africa, Office of Development Planning

As a general conclusion, the team felt this office met its objectives and provided quality work. Field missions praised the office's program guidance for clarity and helpfulness, and felt their support was substantial. The office's policy reform studies and economic appraisals are highly regarded. The team found that the office had a strong "front office" orientation, concentrated heavily on daily operations and not enough on long-term planning, and felt the physical separation of units within the office, and from the Assistant Administrator's office, complicated communication. The team also concluded that a shortage of operating expense funds hampered field contact by the staff, and that the lack of sufficient computers impeded adequate data management by the office.

AGENCY FOR INTERNATIONAL DEVELOPMENT REVISED
WASHINGTON D C 20523

THE ADMINISTRATOR

The Honorable Daniel K. Inouye
Chairman
Senate Appropriations Committee
Washington, D.C. 20510

Re: A.I.D. Management Studies

Dear Mr. Chairman:

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, included in the fiscal year 1988 Continuing Resolution, requires A.I.D. to submit reports to the Appropriations Committees by April 15, 1988, assessing the management and performance of nine A.I.D./Washington offices and directorates. This letter and enclosures are in response to that legislative mandate.

The Appropriations Committees stated that in reporting on the relevant offices, "A.I.D. shall assess the validity of the goals and objectives of the office or directorate, how well these goals and objectives are being achieved, the performance of the office or directorate in providing services, as appropriate, to other bureau offices and/or to the Agency's overseas missions, and, given competing demands being placed on overall Agency resources, whether appropriate personnel and funding resources are being made available for the office or

directorate." The Committee indicated that it was particularly concerned with how effectively these offices support A.I.D.'s field missions and how well central offices' programs are integrated into the field mission's project portfolio.

In responding to the Committee's request, A.I.D. established four teams of senior professionals, with each team having one outside consultant, and with no team having a member from the office being studied. This cross section of professional officers was selected to assure the highest quality reports based on maximum objectivity. The reports enclosed herein reflect the views and conclusions of the teams. Any inputs by non-team members dealt only with facts, accuracy, completeness and editorial style.

I believe the reports provide interesting and useful insights and information which the management of the Agency must evaluate seriously. I am requesting A.I.D.'s Deputy Administrator to oversee the detailed review of the reports to assure that the value of the teams' studies will be fully considered by the Agency.

There are several common themes that run through the reports that I wish to highlight before giving you a short summary of each report. First, the teams report that a number of offices are facing both staff and operating expense budget shortages, thereby putting workload pressure on staff and limiting field travel and interaction with mission personnel

and programs. Second, the teams generally believed that central offices needed more Foreign Service officers on their staffs, and that restrictions and grade ceilings on GS employees in all offices inhibit the flexibility to fully use these officers. Third, several teams pointed out that the lack of adequate and up-to-date computers restricted the capability of some offices to function as effectively as they might otherwise. Finally, several teams urged the central offices to do a better job of marketing their services and products to regional bureaus and field posts in order to maximize the utilization of the central offices' programs.

What follows are summaries of the findings and conclusions of the study teams, for each office studied.

1. Bureau for Science and Technology, Directorate for Human Resources, Office of Education

The team concluded that the office's areas of concentration appear to be appropriate, though they conclude that more responsiveness to the regional bureaus is needed in vocational, management and in-service training. They concluded that: organizational responsibilities were currently appropriate; the Regional Bureaus and the Education office work well together; there is a need for Foreign Service officers in the Office of Education, although it appears there are more positions than warranted, and, as a result, management should

review staffing levels; and the Education Sector Council appears to be performing useful and necessary functions.

2. Bureau for Science and Technology, Directorate of Health

As a general conclusion, the team believed that the Health Office's performance was good, despite its heavy workload. This was reinforced by comments from the Regional Bureaus and field missions which express satisfaction with the quality of services received. The demand by the field for assistance is strong and the staff workload is heavy. Certainly, some of this is an outgrowth of the office's expanded program in Child Survival activities, which has caused both staff and budget strains, especially with competition for funds from field posts. The team also found some confusion over organizational responsibility in the Child Survival program, and identified projects in the Office of Health's portfolio regarded as low priority by regional bureaus. The teams did note, however, that some of the Office of Health's projects reflected Agency, though not necessarily mission, priorities. The team also concluded that the office needs Foreign Service officers on its staff.

3. Bureau for Food for Peace and Voluntary Assistance, Office of Private and Voluntary Cooperation

The team concluded that this office's tasks and objectives are well defined, are integrated into Agency policy, and are responsive to legislative mandates. The office is given high

marks for its work within the Agency and with the PVO community. The team also concluded that it is organizationally well located, but needs Foreign Service officers on its staff and needs more field contact, but limited staff and operating expense constraints preclude greater interaction. The team also suggested that the office should create a greater awareness of its programs and services with the bureaus and field posts.

4. Office of Science Advisor

The team pointed out that the objective of the Science Advisor's office is to fund scientific research, and that the office is not designed primarily to serve field missions. As such, the office is effective in promoting its grant proposals, and its grant selection process is well articulated. The team concluded the decentralized system of grant management should be retained, though stronger system support and guidance should be provided by the office. The team commented that the overall assessment of the quality and impact of the Science Office grant program, now underway, is timely. The team concluded that the organizational placement of the Advisor's office appears appropriate, but suggested that its role, organization and function be reassessed at the beginning of FY 1989.

5. Bureau for Program, and Policy Coordination, Office of Economic Affairs

The team concluded that the objectives of this office are clear, valid and achieved, operating with a small staff which faces a high demand for its services. They noted that the office does not directly serve many missions' needs, but was never intended to do so. The predominance of the office's efforts are directed to A.I.D./Washington offices and bureaus. The study team found that research conducted by the Office of Economic Affairs is relevant, thorough and helpful in bringing new ideas into the Agency. While the office produces good work over a range of functions, it, too, suffers from a staff shortage especially of Foreign Service officers. These shortages will be felt more heavily if, as expected, the role of the office expands.

6. Bureau for Program and Policy Coordination, Center for Development Information and Evaluation

The study team found that CDIE's goals and objectives are valid and the office has made good progress toward achieving them. The bureaus and field missions reported that the office is responsive, relevant and prompt, and is rated favorably, especially its information, research and reference services. However, demand for CDIE's evaluations and "lessons learned" reports are not regularly or evenly used. The team also

concluded that the office is properly organized, but its effectiveness suffers from lack of physical access to and integration with its own bureau and other offices. The team found that CDIE needs to get Agency agreement on the kinds of computer equipment, software applications and information storage technology it requires to meet the increasing demand for its service, it needs to market its product better to expand use of its services, and it needs to have fewer studies because of information overload. The office also should establish priority for studies and focus on quality control, rapid turn-around time and better dissemination and utilization of its products.

7. Bureau for Asia and New East, Office of Project Development

The study team felt that this office meets its stated objectives and establishes and maintains high standards of quality. Field reactions were that the office appropriately serves their needs and interests, including the provision of a variety of useful reports. The team also noted that current staff levels appear appropriate, but recognized that GS employee restrictions as to flexibility of use and grade ceilings hindered the office's ability to attract and retain professional GS staff. The team also noted that a shortage in computers and word processors reduced the office's efficiency.

8. Bureau for Private Enterprises

The primary conclusion of the study team is that the Private Enterprise Bureau has operated a program parallel to the operating bureaus, and thus has not been adequately integrated into the mainstream of A.I.D.'s operation. The result is a communications gap between PRE and operating bureaus and field missions which limits the Agency's effectiveness in reaching its goals in private enterprise development. To deal with this issue, the team concludes that a new role and a new set of relationships for the PRE Bureau, would be appropriate. They suggest that the revolving fund program be shifted from exclusive PRE control to a "corporate type" structure wherein the regional bureaus become equal partners. Next, they suggest that PRE be given a mandate to become a "center of excellence" as a staff and service function within A.I.D. on private enterprise matters. Other general conclusions reached by the team were that A.I.D.'s private sector initiative is well established and PRE's objectives are clear and consistent with the overall goals, though staffing and funding constraints have limited PRE's focus. The team was positive on PRE's efforts at introducing innovations in A.I.D.'s private enterprise program, primarily as a provider of technical services, but did note that the staff lacks

experienced private sector executives. The team also urged more effective links with other international donors.

9. Bureau for Africa, Office of Development Planning

As a general conclusion, the team felt this office met its objectives and provided quality work. Field missions praised the office's program guidance for clarity and helpfulness, and felt their support was substantial. The office's policy reform studies and economic appraisals are highly regarded. The team found that the office had a strong "front office" orientation, concentrated heavily on daily operations and not enough on long-term planning, and felt the physical separation of units within the office, and from the Assistant Administrator's office, complicated communication. The team also concluded that a shortage of operating expense funds hampered field contact by the staff, and that the lack of sufficient computers impeded adequate data management by the office.

The complete and separate studies of the nine offices are attached.

Sincerely,

Alan Woods

Enclosures

MANAGEMENT ASSESSMENT
Center for Development Information and Evaluation
Bureau for Program and Policy Coordination

Team III
Julius E. Coles - Team Leader
Eric Chetwynd
Sean Walsh
Barbara Ludden - Consultant

April 15, 1988

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EXECUTIVE SUMMARY

Pursuant to one of the requirements set forth in the 1988 Continuing Resolution, this report covers the management assessment of the operation of the Center for Development Information and Evaluation of the Bureau for Policy and Program Coordination (CDIE/PPC). The report was based on data collected through personnel and telephone interviews, review of numerous documents and cable exchanges with USAID Missions.

Based on this review, it was determined that CDIE goals and objectives generally remain valid. The Center has sought to create a viable information and evaluation unit within the Agency and to promote the development, storage, dissemination and application of information and lessons learned. The Agency needs to establish a policy for the strategic use of development information and to give higher priority to the use of evaluation in the Agency's decision making.

CDIE management and staff have done an outstanding job of establishing the CDIE unit from information and evaluation functions located in two separate Bureaus in the Agency. The Center has established a credible A.I.D. memory, increased dramatically the demand for its information services, provided guidance and stewardship in evaluation and given the Agency a position of leadership among the donor community in the information and evaluation fields. There still is room for improvement, however, especially in linking CDIE more effectively into Agency policy priorities and promoting within the Agency a wider knowledge of its available services.

Reports from the USAID Missions and A.I.D./Washington offices generally are favorable towards CDIE, especially with respect to information services. Nonetheless, there does persist a clear perception that the results of CDIE evaluations and lessons learned are not regularly or evenly used in Mission project and program development exercises. There is a need for more targeting of evaluation studies for users.

Organizationally, the concensus is that CDIE is properly located and organized but suffers from a lack of physical access to and integration with the rest of PPC and the geographic Bureaus. CDIE is doing its job well with its existing staff and budget resources, but may be required to make some internal resource adjustments to increase the utilization of its evaluation results and information services. If the demand for CDIE services continues to grow, and budget and staff allocations remain at present levels, the quality of CDIE's product will undoubtedly suffer.

I. INTRODUCTION

In response to a requirement contained in the FY 1988 Continuing Resolution, the A.I.D. Administrator appointed a team to assess the management and performance of the Center for Development Information and Evaluation (CDIE) of the Bureau of Policy and Program Coordination (PPC). The team was composed of three career A.I.D. Foreign Service professionals and one outside consultant.

The team decided to focus the assessment on four basic questions asked in the legislation. In addition to reviewing documentation describing the Center's goals, objectives and programs, and reports on program achievement, the team agreed to hold a schedule of "off the record" interviews with representatives of other Bureaus and Offices, USAID Missions and others doing business with CDIE. The Center, itself, was cooperative and produced quickly, efficiently, and in very usable form all documents and materials requested during the course of this management study.

Interviews were conducted with current and previous senior officials of the Bureau of Policy and Program Coordination, the Division Chiefs and other senior staff of CDIE, Mission Directors, officers of other Central and Regional Bureaus, and representatives of major donors and international organizations during the course of the assessment.

The initial meetings, with senior officers of the PPC Bureau and the CDIE Office, were attended by the entire team. Subsequent interviews with other offices and organizations were carried out by dividing the full team up into sub-teams of two members each.

Cabled field responses to a general inquiry concerning interaction and responsiveness were reviewed by the entire team and the results were incorporated into the assessment.

All material collected was reviewed and discussed. Based on these discussions, individual team members drafted assigned sections of the report. The drafts were then critiqued and edited by each team member. The final edited report was endorsed fully by the team.

II. VALIDITY OF GOALS AND OBJECTIVES

A 1982 General Accounting Office Report entitled "Experience -- a Potential Tool for Improving U.S. Assistance Abroad", criticized A.I.D. for failing to use its experience in the management of the foreign assistance program. The Agency's response was to undertake in 1983 a major reorganization of its evaluation and information functions. As a result, a new Office of Evaluation and Development Information Services (EDIS) was established in the Bureau for Policy Planning and Coordination (PPC) by combining two divisions of the former Development Information Utilization Services (DIU) of the Science and Technology Bureau (S&T) and two divisions of the Office of Evaluation within PPC that dealt with evaluation studies and program evaluation systems. At the time of the establishment of this new office, A.I.D. envisioned that it would help the Agency to:

-- rebuild analytical capacity
-- focus on user needs for information
-- keep the memory and library functions more in touch with their clientele
-- bridge the gap between "evaluation methods" and "evaluation studies".

In 1984, EDIS was renamed the Center for Development Information and Evaluation (CDIE). The overall goal of CDIE was defined as: the fostering of the use of development information in support of A.I.D.'s assistance effort. This goal was expected to be achieved by:

-- acquiring and analyzing information on A.I.D.'s development experience and transforming it into meaningful program planning guidance;

-- promoting the application of lessons of experience in program planning and management, and in policy formulation;

-- increasing A.I.D. staff awareness and use of evaluation and development information; and

-- extending development information and evaluation experience and methods to the LDCs and other aid donors as an integral part of program management.

In furtherance of this goal, CDIE has established the following specific objectives over the FY 1984 to 1988 period:

1. To establish a new unit within A.I.D. to promote the use of development information and assist the Agency in learning from experience.

2. To improve the management of Agency programs by promoting the systematic use of information for decision making.

3. To enhance A.I.D.'s knowledge of lessons from experience in key development topics.

4. To promote the use of development information and evaluation and the use of lessons of experience by other donors and LDCs.

5. To stimulate a demand for development information and evaluation by marketing, targeting and tailoring CDIE products and services for users, in particular USAID Missions.

6. To upgrade the quality of CDIE products and services.

While CDIE's goals and objectives basically are valid as currently stated, modifications or additions should be made to take into account the Agency's need to: (1) develop an overall policy on the strategic use of development information; (2) give higher priority and importance to the role evaluation should have in policy, program, project approval and decision making processes at the senior-management level; and (3) improve the overall quality of the Agency's evaluation reports.

III. HOW WELL CURRENTLY STATED GOALS AND OBJECTIVES ARE BEING ACHIEVED

Objective No. 1 - Establish a New Unit to Promote the Use of Development Information

The decision to create CDIE from two former separate units was sound. CDIE's establishment has helped to overcome the problems of responding to user needs for information, keeping the memory and library functions more in touch with their users and bridging the gap between evaluation methods and studies. The appointment of a highly respected Senior A.I.D. Foreign Service Officer with the rank of Associate Assistant Administrator, reporting directly to the Assistant Administrator for Program and Policy Coordination has helped to give the Center more clout within the Agency. CDIE management and staff have done an excellent job of pulling the two previously separate units together by integrating, staffing,

upgrading and modernizing them and giving them more outreach to the USAID Missions and the development community as a whole. While there has been a decline in the Agency's overall budget, PPC has continued to give CDIE high budgetary priority within the Bureau.

CDIE is a complex, yet well-functioning unit. It has evolved over the past five years as a unit with organizational identity, teamwork and a common sense of purpose. While CDIE has made significant achievements, there still are a few areas where further progress is needed. One of these is the need to integrate CDIE into the overall operations of the PPC Bureau. In addition CDIE has not been able to acquire the necessary technology available for information collection, presentation and distribution, including production of color graphics, use of telecommunications for sending information quickly, and compact disk storage technology. While these technologies are available and desired by Agency analysts--especially economists, other social scientists, and program officers -- the Agency has made a conscious decision to proceed slowly on the adoption of these technologies until industry standards have been established.

Objective No. 2 - Systematic Use of Information for Decision Making

Since 1984, CDIE has made an effort to enhance the use of development information and evaluation as a management tool for the Agency's decision makers. One important approach has been through direct technical assistance to USAID Missions in the areas of information needs assessments, library development, statistical analysis support, evaluation planning and project evaluations. There are numerous examples of CDIE's having provided this assistance and USAID Missions have commented favorably on such support.

Another approach used by CDIE has been the planning, design and pilot testing of a new workshop on "Collaborative Evaluations". The purpose of the workshop is to provide the geographic Bureaus with a model workshop through which key Missions and counterpart agencies could be oriented to the importance of evaluative information as a program management tool. Since 1985 CDIE has held workshops in collaboration with the geographic Bureaus in Tunisia, Bangladesh, Costa Rica, Egypt, Ecuador, Senegal and Kenya. Other workshops are being planned for Nepal, Guatemala and the Regional Development Office in the Caribbean. A state-of-the-art workshop on the measurement of program impact, especially in agriculture and

rural development programs, was held and included staff from A.I.D., World Bank, UN, IFAD and various universities. Without exception, the geographic and central Bureaus, as well as the USAID Missions, have highly praised the quality of these workshops.

Another of CDIE's major accomplishments over the past year has been the publication of the "A.I.D. Evaluation Handbook", which establishes the Agency's policy and basic procedures for evaluations. This document seeks to lay out an evaluation process that is useful to the Agency in its decision making and management processes. A companion video tape has also been made available. In general, the overall reaction to this handbook has been very positive.

Other guidelines and manuals developed or published in cooperation with other Bureaus by CDIE over the past three years in its series on Program, Design and Evaluation, and Methodology include: "Selecting Data Collection Methods and Preparing Contractor Scopes of Work"; "Evaluation Guidance for Non-project Assistance: Commodity Import Programs"; "An approach to Evaluating the Impact of A.I.D. Projects"; "A Manual for Evaluating Small Scale Enterprise Development Projects"; "Conducting Group Interviews in Developing Countries"; "Guidelines for Data Collection, Monitoring and Evaluation Plans for A.I.D."; and "Rapid, Low Cost Data Collection Methods for A.I.D."

In the area of economic and social data collection, CDIE is establishing the Country Trends Monitoring Network (CTM/N) to facilitate the exchange of country trends data between and among A.I.D./Washington Offices and the USAID missions. This network uses standardized classifications and coding schemes in the computerization of the Agency's data bases and standardized formats for the exchange of data. The principal mode developed for data exchanges is computer diskette, and the development of the network includes plans for converting existing country diskettes into a two-way data exchange system. Currently, the network is being field tested in one or two USAID Missions in each region and the full system is scheduled to be inaugurated in August 1988. Once this system is established, it should eliminate one of the principal complaints of the Agency's economists which is that the economic and social data obtained by CDIE from international sources is too outdated to be useful.

Another tool that CDIE has used successfully for promoting development information and evaluation as a management tool is the periodic meetings of the CDIE led Project Evaluation

Committee composed of the evaluation officers from each of the central and geographic Bureaus. This Committee is used by CDIE to discuss common evaluation problems and issues, share news of the Agency's evaluations activities and coordinate evaluation initiatives, methodologies and findings. Members of the Committee interviewed during the course of this assessment have found the committee to be useful for the exchange of information and as a vehicle for learning about new Agency evaluation initiatives.

Objective No.3 - Enhance A.I.D.'s Knowledge Base of Lessons from Experience

CDIE has pursued this objective by carrying out individual evaluations (54 completed over the past 3 years and 48 currently underway); publishing 12 Occasional Papers on A.I.D. programming topics (e.g. project design, monitoring and evaluation); completing 7 special evaluations requested by A.I.D. senior management; and completing and distributing two syntheses of A.I.D. evaluations completed during the three years 1985-86.

The quantity of CDIE's in-depth, field based evaluation work has contributed significantly to the Agency's overall knowledge base of lessons learned even though its budget and staff resources have been limited. CDIE's budget for evaluation activities has decreased from about $1.7 million in FY 1985 to $1.3 million in FY 1988. These reductions are primarily the result of an overall cut in the Agency's budget.

Even though CDIE has made progress in building up the Agency's knowledge base of lessons learned from experience, CDIE still needs to develop better systems, techniques and procedures to increase and better track utilization of lessons learned in project and program assistance. Some of the evaluation reports which have been reported to have had specific program impact are the CDIE reports on Women in Development, Social Marketing of Contraceptives, Agricultural Higher Education series, Small Farmer Credit, U.S. Response to the African Famine and Information Systems for Policy Reform programs. However, CDIE has not developed a system to assess or document the impact of its own program effectiveness.

Objective No. 4 - Promote the Use of Development Information and Evaluation by Other Donors and LDCs

The Agency through CDIE has been influential in serving as a model for other donor countries and organizations who, having observed the CDIE approach, wish to combine their own evaluation and information systems into a similar single interactive system. CDIE has assisted a total of 10 bilateral donors in establishing such a system. In addition, CDIE has worked closely with multilateral agencies including the World Bank and UNDP, which has provided similar access by CDIE into their information and data systems.

CDIE is active in its outreach to other organizations and in network building. It has collaborated with some 33 national and international information centers on sharing of development information. On the domestic side, for example, it is collaborating with the Peace Corps, USIA and the State Department in the sharing of information and evaluation materials.

Over the past three years, CDIE's Director has chaired the Expert Group on A.I.D. Evaluation of the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC). During this period impressive progress has been made in the systematic sharing of information among DAC and OECD members. Much of the progress achieved by DAC in this area has been attributed by member countries to the leadership of the Chairman and the example set by CDIE.

Examples of this progress include: (1) a focus on key development issues as opposed to a preoccupation with methodology and process; (2) establishment of an information exchange system among DAC members for sharing of development experience; and (3) production of reports on specific evaluation topics, including a compendium of donor experience with aid evaluations published in four languages, a report categorizing and synthesizing issues from aid evaluations, a review of non-project experience, and other reports on cross-cutting issues such as rural development, sustainability, women in development, environmental impact, health care programs and rural development. The U.S. Chairman played a key role in getting the DAC to sponsor an international seminar with representatives from the developing countries for the first time to promote the use of evaluation in their countries.

Other donor organizations have given high marks to CDIE on the quality of its products and have also indicated that many

CDIE materials are used in their organizations. UNDP has adopted the Development Experience Abstract four page format developed by CDIE and is producing its own series based on this format entitled "Findings".

Donors, both international and bi-lateral, appear to have derived considerable benefit from CDIE leadership, initiative and achievements. It is less clear how much this has benefited the Agency. In view of the small size of the CDIE staff and its limited resources, the time and effort spent on this donor coordination effort have probably diverted some of CDIE's management and staff time away from its work for the Agency.

Objective No. 5 -- Stimulate Demand for Development Information and Evaluation by Marketing, Targeting and Tailoring CDIE Products and Services

CDIE has taken a number of steps to market its development information and evaluation services. Specifically, CDIE has developed a variety of brochures, information packets, newsletters and publications designed to increase the Agency's staff awareness of CDIE services and capabilities. It has also used seminars, workshops and Agency training programs as techniques for increased utilization of CDIE products (i.e. evaluations) and awareness of its services.

In order to overcome the communication problem associated with physical separation from the main body of A.I.D./Washington clients, CDIE has set up an information center in the Department of State building. This center is part of a larger effort to market and increase user awareness of and demand for CDIE services. While there has been an increase in demand for the use of CDIE services through the center in New State, this demand has not been as great as originally expected. However, in the future, CDIE plans to set up in this center a model Information Center for possible replication by USAID Missions.

CDIE has continued to develop new products and services, including the Occasional Paper series, MICRODIS, and the Research and Reference Service. It has modified existing products and services in both its Evaluation and Development Information Divisions to meet client needs and to stimulate additional demand.

Statistics provided by CDIE demonstrate a significant increase in the requests for CDIE information and reference services. For example, requests for Research and Reference

Services totaled over 12,000 in FY 1987 versus 11,000 requests in FY 1986. During the first four months of FY 1988, requests have been running at an annualized rate of over 18,800.

CDIE's Development Information Division has assisted 25 USAID Missions over the past 4 years in establishing or expanding development information centers. Mission request for documents from the Documents and Information Handling Facility have increased from 14,000 in 1984 to some 22,000 in 1987.

CDIE has also introduced new or modified evaluation products in an attempt to remain relevant to its clients' needs and increase demand and use. An example is CDIE's redirection of its Evaluation series to focus more on cross-cutting issues, non-project assistance and special program evaluations.

CDIE management recognizes that the Center is a service office, and has devoted substantial effort to making those services known and to a continuous upgrade in service to expand its clientele.

Further improvements include attractive packaging, user response forms, training classes, bibliographies and abstracts, and growing sophistication in the use of data processing systems. The steady and significant increase in use of the materials and services of the office, doubling since 1985, indicates that these measures are bringing some measure of success.

Objective No. 6 - Upgrade the Quality of CDIE Products and Services

CDIE has experienced dramatic growth in the content and quality of its information data base over the past four years, and has, for instance, entered into formal agreements to exchange information with thirty-three organizations, national and international, including the World Bank, the Canadian International Development Resource Center, United Nations Industrial Development Organization, the United Nations Centre for Regional Development, UNCTAD/GATT and others. Informal arrangements also exist with the International Monetary Fund, the U.S. Department of Agriculture, U.S. Bureau of the Census, National Technical Information Service, National Library of Medicine and others.

The computerized Development Information System (DIS) provides on-line access to citations of over 45,000 documents for more than 6,000 projects. These documents are available on microfiche and in paper copy.

The accessing system, MICRODIS, a software package, was developed by CDIE to help USAID Missions manage and access their document based development information. This package has been installed in 21 organizations, including Private Voluntary Organizations, USAIDS, and foreign governments and organizations. Outstanding requests for MICRODIS installation in French or Spanish have been received in the last six months from seven organizations in four foreign countries. CDIE provides demonstration opportunities for potential MICRODIS users. CDIE has also provided demonstrations or demonstration copies to a broad range of organizations in-house, nationally, and internationally since August of 1985. Sixty-three such requests have been honored, eleven in 1985, twenty-seven in 1986, nineteen in 1987, and six in the first two months of 1988.

The A.I.D. Library, Research and Reference Service (which now provides "value-added" information to requesters), Document Handling Facility, USDA Technical Information Service, and the Economic and Social Data service, have been used extensively by those within and without the Agency and constitute the bulk of requests for CDIE services. There has been growing demand on CDIE resources as these services have become better known.

Of the 70 USAIDs, 66 have made use of CDIE's information services. All services are free to the Missions, and CDIE has taken a number of creative steps to inform Mission personnel about its services and to upgrade such services to be continuously more responsive through follow-up questionnaires, video tapes, and personal presentations in training sessions and in workshops and conferences. A training module on the services of the office has been developed and is included in the New Entry and Senior Executive Training Course offered by A.I.D.

CDIE's management recognizes that as it moves to provide ever-increasing and improved services the demand will grow. With limited resources, CDIE faces the certain possibility that this increased demand will very likely result in reduction in the quality of service. On the other hand, the office continues to look ahead, and has developed and is investigating the application of high density, mass storage devices (optical/laser disks) which would enable storage of large amounts of textual information as well as diagrammatic and tabular information. Through the use of this technology massive amounts of data could be placed on tiny disks and could serve as mini-libraries and storage facilities in USAIDs.

The availability and potential of this technology has become symbolic of a broader dichotomy between CDIE and IRM,

the office which sets the Agency standard in hardware and software systems. Although there seems to be no question as to the delineation of responsibility between the two offices: IRM is a service office, and CDIE, in this instance, is the client, it is not difficult to detect the differences between them. CDIE is attempting to establish firmly A.I.D.'s lead as an exceptional information source and model both for other Federal agencies and other donors. On the other hand, IRM in trying to minimize costs seeks to ensure that an industry standard prevails for each of the new technologies available before it gives the approval for the purchase of the requisite hardware and software.

The situation between CDIE and IRM is similar to the basic conservative budget vs. high technology implementation dialogue that has become the hallmark of corporate America. For CDIE to succeed in obtaining this technology, it must make a compelling case for its next move into the 21st Century in order to maintain its leadership position. The reluctance of Agency managers to buy into high tech systems leaves CDIE in the position of having few strong allies on this issue. IRM is, it appears, willing to accommodate the new technology, but does not share the same sense of urgency and is driven by concerns for agency-wide standardization to contain costs and facilitate acquisition, training and servicing. Top management of both offices is aware of both sides of this issue but has not worked out the next steps that should be taken to improve upon the information storage and retrieval technology. Much more discussion is needed between these offices if the Agency is to move ahead with the new technology required.

The more highly visible function of CDIE, which actually commands less in terms of resource allocation, is the evaluation activity, which is divided into two functional areas. First, it designs, implements, and publishes special in-depth evaluative studies of A.I.D. projects, programs, and policies, including impact evaluations focused on A.I.D.'s performance in a specific sector, policy-oriented evaluations, and evaluations of special programs, non-project assistance and country assistance programs. The second function is to encourage application of the findings of these evaluations to decision making within the Agency as well as to provide support for Agency decentralized evaluation activities. CDIE has made great efforts to disseminate these materials, including production of four page summary documents and lessons learned extrapolations, placement of articles in A.I.D.'s Newspaper (Front Lines), and in sponsorship of workshops and conferences. Nevertheless, Agency readership and application, while improving, appears to be uneven.

IV. PERFORMANCE IN PROVIDING SERVICE TO A.I.D. BUREAUS, OFFICES AND MISSIONS

CDIE is a service office. The collection and dissemination of data, provision of data bases and relevant data transfer mechanisms, compilation and operation of the A.I.D. library, and provision of evaluation guidance and design, as well as the much-used research and reference capacity, are all client useful service functions.

In order to have a market for the data which CDIE compiles and stores, it is necessary that its services be known, that the materials it collects and produces be relevant and valuable to the Agency's managers and to others in the field of development work and that the products of its systems be readily accessible, understandable, timely and integrated into the work of the Agency. However, CDIE has a continuing problem, expressed succinctly by a former Mission Director and current Bureau senior manager who had used CDIE extensively: "How can this wonderful resource be made known to AID/W and USAIDS so that it will be drawn on?"

The Center is physically isolated not only from its users in the field, but from many of its users in Washington. In addition, based on recurring comments from some outside of CDIE, the Center is also isolated within the Agency in that its management is not consistently included in policy level meetings where strategic applications of information and of the evaluation process might be discussed, and is not privy firsthand to the discussions in which Agency policy and directions are set. It is believed by many of those interviewed that the inclusion of the Center's Director in these formative meetings would be of value to all concerned in highlighting little known data already in the system and signalling areas of potential interest for future data gathering and evaluation.

On the positive side, CDIE has developed an impressive array of reference materials, including databases for Moody's, Standard and Poor's, Dun & Bradstreet, the U.S. Yellow Pages, Who's Who, and others; the statistical data bases of the International Monetary Fund, the World Bank, the Food and Agriculture Organization, the Organization for Economic Cooperation and Development (OECD), and, in the United States, the Bureau of Labor Statistics, the Department of Agriculture, Donnelly, and Export Reports. Other data bases in the areas of the U.S. Government, major U.S. Newspapers and wire services, business, Research in Progress, agriculture, economics and international organizations are also accessed. Research and

reference services are available on request which will search, screen, assemble, and summarize information on any subject relevant to AID's present concerns, although detailed value added analysis is not within the purview or staff capacity of the office. In addition, the Center conducts both an expert search service and a quick reference service upon request.

A further information service, the Economic and Social Data Base (ESDB), is an automated computer system for the storage, analysis and dissemination of economic and social statistical data. The staff does analyze data and provide statistical reports in response to specific information requests in this area.

In the Evaluation area, CDIE is responsible for A.I.D.'s central evaluation functions and provides guidance and technical assistance in the application of lessons from A.I.D.'s experience to project design and implementation, as well as for overall policy development.

With all of this available, it might be thought that the staff would be inundated with requests for information and for assistance. In reality, the use is uneven from Mission to Mission and from office to office. The demand, while increasing, seems to grow exponentially as a user has experience with the products and responses of the Center. CDIE is identified more closely with evaluation even though the actual demand by users is heavier on the information, research and reference side.

Numerous Missions responded to the AID/W inquiry on CDIE performance by cable. Several Mission Directors and former Mission Directors were interviewed as well. The general response was positive, depicting CDIE as responsive, relevant, and prompt. The most frequently expressed comment focused on the prompt manner in which the request was handled. A number of Missions indicated frequent use of CDIE services and characterized CDIE's function of serving as a central point for obtaining information as an invaluable asset. Specific remarks were also made concerning the importance and value of CDIE materials in project design and strategy conceptualization. In addition, special mention was made of the importance and convenience of the diskette library materials. While the bulk of comments focused on the information and research and reference services of the Center, high marks were also given on the overall quality of the Evaluation Handbook and the CDIE Impact Evaluations.

Mission criticism was not overwhelming, but did in several instances comment that some economic and social data information is substantially out of date when received. One Mission indicated that suggested revisions to this data are not made. Several Missions indicated a need to be more selective on the part of CDIE when providing responses and bibliographies so as not to, in the words of one, "drown" the Missions in paper and information. The most frequent concern expressed highlighted a lack of sufficient publicity on the various services and materials which CDIE has to offer. Some Missions indicated they would like to be more involved in setting the CDIE evaluation agenda. The comments made about CDIE are fairly uniform from the smaller to the largest Missions. It was interesting to note that the more use a Mission has made of CDIE's services, the more positive is the response to CDIE.

On balance, the responses from USAID Mission indicate that they are well served by CDIE in light of its limited staff and budgetary resources. Out of the total of some 70 USAID Missions, 66 have had some interaction with CDIE, and interest is growing in MICRODIS and other computer system interchanges as CDIE continues to upgrade its capacity in this area. There was also generally favorable, although not overwhelmingly positive, response on the part of the geographic Bureaus, where the evaluation function appears to be much better known or associated with CDIE than the information function.

The question of the contribution of CDIE's studies and other outputs to the state-of-the-art, must be looked at from both the information and evaluation sides of the operation. Consultations with other donors indicated that CDIE's information system is a leader in its field among the donors. Canadian International Development Agency, the United Nations and the World Bank are in various stages of plugging into and emulating the CDIE system. The system developed by CDIE is regarded as state-of-the-art by peer agencies, even though some in the Agency believe that the system is being constrained in some respects by lack of access to the latest technology for information systems. The document storage and retrieval system, and the information search and summary systems truly have given A.I.D. a memory--a memory that is growing in its use by the Agency and yet still is greatly under-utilized.

On the evaluation side, a good effort has been made to insure the quality and relevance of CDIE studies. However, evaluations by nature are retrospective. They look at what the Agency has done in the past in order to gain insights into the future. There is a tension between this aspect of evaluation and the need for the Agency to use evaluation to look ahead in its policy and program development.

There is, in addition, a timeliness issue. A year or two is required to carry out a major evaluation, as well as a year or more for publication, creating a serious time-lag factor. This must be addressed if the Agency and the development community are to achieve the desirable rapid feedback on the results of CDIE evaluations and studies.

V. ORGANIZATIONAL PLACEMENT AND RESOURCE ADEQUACY

At the time the information and evaluation functions were combined within PPC in 1983, the Agency envisioned that this reorganization would bring a more rational and coherent organizational structure to these key functions. It was also believed that the restructuring would help to insure that the Agency's evaluation, information and economic and social data functions would be better integrated into the PPC Bureau's central programming, economic analysis and policy functions. While PPC has made an effort to achieve some integration of the various functions to improve the Agency's overall economic analysis, planning and policy responsibilities, the results leave room for improvement.

Within PPC's current organizational structure, the Office of Policy Development and Program Review (PDPR) is the Agency's central source of expertise, information and guidance on major policy issues and options on U.S. economic assistance matters. The Office of Economic Affairs (EA) provides the expertise, information and policy guidance on international economic policy issues and longer term world-wide economic and social trends, and provides in-depth analysis on developmental problems. While these critical offices should be heavy users of CDIE information, evaluation and data resources, this is not the case. Rather, staff in these offices state that the kinds of information being obtained and stored by CDIE are not the right kinds of information needed or desired in their own work. They further state that these data are often outdated and are not stored in a usable form. Part of the problem apparently is that much of CDIE's work deals with matters past. As such, it is contended by these offices that CDIE is not providing state-of-the-art material or the kinds of information that these offices feel they need.

One of the problems hindering achievement of a more functional integration of CDIE into the PPC Bureau has been the physical isolation of CDIE which is located in Rosslyn, Virginia. This has made it difficult to achieve the necessary communication and interaction. CDIE has often operated on its own with only general guidance on priorities for its work from the Agency's

senior management. If co-location of the various CDIE offices is not possible in the near term, a greater effort on the part of the Bureau will be required to overcome the adverse effects of this physical isolation and would seem to be in order. This might include more frequent meetings and interactions among these offices to exchange ideas and develop common objectives.

Other options for the location of CDIE were explored and included: (1) CDIE as a major office reporting directly to the Administrator; (2) CDIE combined with the Policy Development and Program Review Office in PPC; (3) movement of CDIE evaluation functions to the geographic Bureaus; and (4) establishment of CDIE within A.I.D. as a prestigious Center for Development Studies, to include visiting fellows from academia and elsewhere in the development community. This would include long term training/study assignments for AID personnel. Each of these options is discussed below.

The first option, that of establishing CDIE as a major office reporting directly to the Administrator, is a popular one for major corporations in the private sector. These corporations have opted to place information and evaluation functions near top management with a separate Vice-President to cover such functions. This option offers the benefit of placing considerable resources in the hands of top management for use as a management tool thereby elevating the priority of the function. From the perspective of Agency management, however, such a move would add another staff supervision burden to the Administrator's office. This could also result in CDIE's being less of a service organization for the rest of the Agency than it now is by isolating it at a higher level.

Another option explored was that of combining CDIE with PPC's PDPR Office. While this might overcome the present problem of insufficient integration into the policy process, this appears to be an extreme solution to a communication problem for which there are other and preferable solutions. CDIE is designed to be a service organization while PDPR is viewed to function in more of a critical review role. While CDIE should feed the policy process, its evaluation and information systems work should remain independent from the high pressure environment of a policy office.

A third option explored was that of decentralizing the evaluation functions to the geographic Bureaus. This option was recommended as a method of placing the evaluation function closer to the Agency's operational decision makers. Nevertheless, the geographic Bureaus generally have given a low priority to allocation of direct-hire positions for evaluation,

except for the Asia and Near East Bureau. Dismantling an office with central focus and critical mass and a global as well as a geographic focus would not appear to offer advantages toward improving the Agency's evaluation functions but would more than likely result in the Agency's giving a lower priority to its evaluation functions.

An additional option explored was that of establishing a Center for Development Studies. This option offers the advantage of giving the Agency a development studies "think tank" and holds out the attraction of drawing highly qualified professionals from the academic community and the private sector to spend excursion tours in the Agency. Such an approach could strengthen the quality of the Agency information and evaluation services, as well as its links with academia and the private sector. It could also provide the Agency with an opportunity to give its operational staff an in-house sabbatical period to write and reflect on personal development experiences. The down-side of this option is the substantial additional cost it could entail for the Agency.

Based on this review, CDIE appears to be properly placed as a separate office within PPC. Its lack of proximity to the rest of PPC and the geographic Bureau should be improved. In addition, CDIE should be better integrated within the overall decision making apparatus of the PPC Bureau.

In regard to the question of the adequacy of staff and financial resources, CDIE in 1985 went through an Agency mandated staff reduction as a part of an overall Agency staff reduction exercise. CDIE staff was reduced by 40%. The evaluation side of CDIE was harder hit. Effectively, the evaluation staff declined from a level of 28 full and part time staff, to 9 full and part time employees. This large loss in staff has been offset slightly by the arrival of an Evaluation Applications and Methods Contract (4 employees) with the 8(a) firm of Labat-Anderson. Without this contract, the methodology support function of CDIE would be in serious difficulty.

The reduction has also had an impact on CDIE's evaluation capability. Junior level positions have been dropped which has resulted in professional staff performing far more administrative and routine work than one would expect at the GS 13 and 14 levels. Field work has also been drastically curtailed and contract employees, especially on the methods side, have been used to take up some of the slack caused by the direct hire cutbacks. Unfortunately, using contract employees for the methodology work has left less money remaining for impact type evaluations. These evaluations have been cut to

about two topic series per year from an average of about four in earlier years. CDIE has tried to compensate for these cuts by increasing the number of desktop evaluations and special studies, using both direct hire and contract employees. It has become increasingly difficult for CDIE to obtain direct-hire personnel for its evaluations due to the Agency's overall reduction in personnel. Between one and two dozen of these studies are done per year. The rationale has been that these studies are cheap and can be done relatively quickly. Reports on their quality have been mixed.

In contrast to this situation, the Development Information side of CDIE over the same period has dropped from 11 to 9.4 full and part time direct hire positions. The cuts in this area have been less severe since the Agency required a basic core staff to maintain the basic data and information systems. This small staff is further supplemented by two large and two small contract operations. These four include a Document and Information Handling Facility (25 contract employees); a Research and Reference Service, including the AID Library (18 contract employees); an Economic and Social Data Service (5 contract employees); and a Technical Inquiry Service (5 USDA RSSA employees).

Contract levels have remained about the same for the development information contracts, although the Document Information and Handling contract has dropped 10 positions. This reduction was necessary because costs were escalating and CDIE was unable to come up with the additional funds required to maintain these positions.

The demand for and supply of services from CDIE has been growing dramatically in recent years and there appears to be a high degree of satisfaction with the speed and quality of service in the development information areas. However, CDIE management indicates that the service is being pushed to the limit now and that quality and performance will fall off as demand increases further. Moreover, as the Agency increasingly focuses its program on the problems and prospects of economic growth, new types of demand will be created in the area of search synthesis and presentation--areas in which the development information side of CDIE is not well staffed at the present.

With respect to the budget, at $4.3 million, it has held fairly steadily in the face of substantial Agency cutbacks. CDIE feels that an increased budget to about $5 million total would: permit extension of outreach through workshops and

conferences; increase quality control by permitting use of peer review panels; allow the performance of more impact studies; and facilitate acquisition of more effective hardware and software. Currently, it appears that staffing is about right for the budget levels provided. However, there is no question that additional staff will be required if CDIE is to meet the anticipated growth and demand for its services. Some of those interviewed have expressed concern that CDIE should have more Foreign Service personnel on its staff.

CDIE is a complex and multifaceted organization. It engages in a broad range of services and activities. There are many questions of opportunity costs and alternative uses of staff and resources. These should be reviewed programmatically and strategically by the Agency before substantive changes are made. There clearly is room for improvement in the services being provided but CDIE has shown professional growth and has had a beneficial impact on the Agency and the development community in general.

VI. CONCLUSIONS

CDIE appears to have a valid set of goals and objectives and has made good progress toward achieving them. However, the timing appears right for the Agency to consider more broadly the strategic use of development information and to give a higher priority to the application of evaluation results.

CDIE's management has done a remarkable job of integrating and upgrading the information, evaluation and evaluation methodology units that now constitute the Center and of giving them substance and firm direction. Agency memory, data and information systems are in place and functioning well. CDIE has provided leadership both internationally and within the Agency in the information and evaluation fields. Nonetheless, challenges still remain. Achievements in one area seem to create needs and opportunities in others.

In both its information and evaluation functions, CDIE has attempted to link more effectively into Agency policy priorities. Yet, there still is room for improvement. Perhaps most important is that Agency senior management should take a more active role in setting evaluation and information priorities than is presently the case.

CDIE has made a tremendous effort through publications, syntheses, workshops, guidelines and networking to make the Agency aware of its services and to have them used in Agency programs, especially in the field. Important inroads have been made in some programs in which lessons learned from experience and the Agency's memory have been used very effectively.

However there persists a perception that Missions are not taking full advantage in program design of the information, lessons and guidelines that CDIE has to offer, despite the requirement to do so set out in the Agency's handbooks.

The problem appears to be twofold. First, the Agency is experiencing an information overload. Any service unit such as CDIE faces a fiercely competitive information market. There is a need to engage in fewer studies of higher priority and focus on quality control, rapid turn-around time and face-to-face dissemination and field utilization. Second, greater priority should be given by the Agency to using the memory it has so effectively put into place.

Despite this perception and problem, CDIE has been effective in dissemination and marketing of its services. Demand has increased overall by some 200% in the past four years. The problem exists, however, that utilization is uneven, increasing geometrically in the Missions that have been "reached" while remaining very thin or non-existent in others. This suggests a considerable latent demand in the field and Washington Bureaus and gives urgency to the question of whether CDIE can cope, within present budget and staff resources, with further marketing success.

CDIE has created for the Agency a position of leadership in the information and evaluation fields with the international donors. Several major donors are trying to emulate the combined information and evaluation approach pioneered by CDIE and have become part of an information sharing, electronically linked network promoted by CDIE. In evaluation, some have followed CDIE's lead in the type of evaluation and evaluation reporting they pursue. This leadership brings with it costs in time, energy and resources as well as obvious benefits. It may be time to consider cutting back on these activities.

CDIE has attempted to keep the Agency in the lead technologically as well in terms of the rapidly improving computer and software applications in information storage, retrieval, analysis and presentation. However, there is tension between this desire on CDIE's part and the Agency's management focus on standardization of computer technology choices.

Organizationally, there is a range of options as to how CDIE might be reorganized or located differently within the Agency. However, most of those interviewed appear comfortable with the present arrangement in PPC, calling only for closer integration within PPC and greater physical proximity to the geographic bureaus.

MANAGEMENT ASSESSMENT

Center for Development Information and Evaluation

Bureau for Program and Policy Coordination

April 1988

Eric Chetwynd

Julius E. Coles

Barbara Ludden

Sean Walsh

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EXECUTIVE SUMMARY

Pursuant to one of the requirements set forth in the 1988 Continuing Resolution, this report covers the management assessment of the operation of the Center for Development Information and Evaluation of the Bureau for Policy and Program Coordination (CDIE/PPC). The report was based on data collected through personnel and telephone interviews, review of numerous documents and cable exchanges with USAID Missions.

Based on this review, it was determined that CDIE goals and objectives generally remain valid. The Center has sought to create a viable information and evaluation unit within the Agency and to promote the development, storage, dissemination and application of information and lessons learned. The Agency needs to establish a policy for the strategic use of development information and to give higher priority to the use of evaluation in the Agency's decision making.

CDIE management and staff have done an outstanding job of establishing the CDIE unit from information and evaluation functions located in two separate Bureaus in the Agency. The Center has established a credible A.I.D. memory, increased dramatically the demand for its information services, provided guidance and stewardship in evaluation and given the Agency a position of leadership among the donor community in the information and evaluation fields. There still is room for improvement, however, especially in linking CDIE more effectively into Agency policy priorities and promoting within the Agency a wider knowledge of its available services.

Reports from the USAID Missions and A.I.D./Washington offices generally are favorable towards CDIE, especially with respect to information services. Nonetheless, there does persist a clear perception that the results of CDIE evaluations and lessons learned are not regularly or evenly used in Mission project and program development exercises. There is a need for more targeting of evaluation studies for users.

Organizationally, the concensus is that CDIE is properly located and organized but suffers from a lack of physical access to and integration with the rest of PPC and the geographic Bureaus. CDIE is doing its job well with its existing staff and budget resources, but may be required to make some internal resource adjustments to increase the utilization of its evaluation results and information services. If the demand for CDIE services continues to grow, and budget and staff allocations remain at present levels, the quality of CDIE's product will undoubtedly suffer.

I. INTRODUCTION

In response to a requirement contained in the FY 1988 Continuing Resolution, the A.I.D. Administrator appointed a team to assess the management and performance of the Center for Development Information and Evaluation (CDIE) of the Bureau of Policy and Program Coordination (PPC). The team was composed of three career A.I.D. Foreign Service professionals and one outside consultant.

The team decided to focus the assessment on four basic questions asked in the legislation. In addition to reviewing documentation describing the Center's goals, objectives and programs, and reports on program achievement, the team agreed to hold a schedule of "off the record" interviews with representatives of other Bureaus and Offices, USAID Missions and others doing business with CDIE. The Center, itself, was cooperative and produced quickly, efficiently, and in very usable form all documents and materials requested during the course of this management study.

Interviews were conducted with current and previous senior officials of the Bureau of Policy and Program Coordination, the Division Chiefs and other senior staff of CDIE, Mission Directors, officers of other Central and Regional Bureaus, and representatives of major donors and international organizations during the course of the assessment.

The initial meetings, with senior officers of the PPC Bureau and the CDIE Office, were attended by the entire team. Subsequent interviews with other offices and organizations were carried out by dividing the full team up into sub-teams of two members each.

Cabled field responses to a general inquiry concerning interaction and responsiveness were reviewed by the entire team and the results were incorporated into the assessment.

All material collected was reviewed and discussed. Based on these discussions, individual team members drafted assigned sections of the report. The drafts were then critiqued and edited by each team member. The final edited report was endorsed fully by the team.

II. VALIDITY OF GOALS AND OBJECTIVES

A 1982 General Accounting Office Report entitled "Experience -- a Potential Tool for Improving U.S. Assistance Abroad", criticized A.I.D. for failing to use its experience in the management of the foreign assistance program. The Agency's response was to undertake in 1983 a major reorganization of its evaluation and information functions. As a result, a new Office of Evaluation and Development Information Services (EDIS) was established in the Bureau for Policy Planning and Coordination (PPC) by combining two divisions of the former Development Information Utilization Services (DIU) of the Science and Technology Bureau (S&T) and two divisions of the Office of Evaluation within PPC that dealt with evaluation studies and program evaluation systems. At the time of the establishment of this new office, A.I.D. envisioned that it would help the Agency to:

-- rebuild analytical capacity
-- focus on user needs for information
-- keep the memory and library functions more in touch with their clientele
-- bridge the gap between "evaluation methods" and "evaluation studies".

In 1984, EDIS was renamed the Center for Development Information and Evaluation (CDIE). The overall goal of CDIE was defined as: the fostering of the use of development information in support of A.I.D.'s assistance effort. This goal was expected to be achieved by:

-- acquiring and analyzing information on A.I.D.'s development experience and transforming it into meaningful program planning guidance;

-- promoting the application of lessons of experience in program planning and management, and in policy formulation;

-- increasing A.I.D. staff awareness and use of evaluation and development information; and

-- extending development information and evaluation experience and methods to the LDCs and other aid donors as an integral part of program management.

In furtherance of this goal, CDIE has established the following specific objectives over the FY 1984 to 1988 period:

1. To establish a new unit within A.I.D. to promote the use of development information and assist the Agency in learning from experience.

2. To improve the management of Agency programs by promoting the systematic use of information for decision making.

3. To enhance A.I.D.'s knowledge of lessons from experience in key development topics.

4. To promote the use of development information and evaluation and the use of lessons of experience by other donors and LDCs.

5. To stimulate a demand for development information and evaluation by marketing, targeting and tailoring CDIE products and services for users, in particular USAID Missions.

6. To upgrade the quality of CDIE products and services.

While CDIE's goals and objectives basically are valid as currently stated, modifications or additions should be made to take into account the Agency's need to: (1) develop an overall policy on the strategic use of development information; (2) give higher priority and importance to the role evaluation should have in policy, program, project approval and decision making processes at the senior-management level; and (3) improve the overall quality of the Agency's evaluation reports.

III. HOW WELL CURRENTLY STATED GOALS AND OBJECTIVES ARE BEING ACHIEVED

Objective No. 1 - Establish a New Unit to Promote the Use of Development Information

The decision to create CDIE from two former separate units was sound. CDIE's establishment has helped to overcome the problems of responding to user needs for information, keeping the memory and library functions more in touch with their users and bridging the gap between evaluation methods and studies. The appointment of a highly respected Senior A.I.D. Foreign Service Officer with the rank of Associate Assistant Administrator, reporting directly to the Assistant Administrator for Program and Policy Coordination has helped to give the Center more clout within the Agency. CDIE management and staff have done an excellent job of pulling the two previously separate units together by integrating, staffing,

upgrading and modernizing them and giving them more outreach to the USAID Missions and the development community as a whole. While there has been a decline in the Agency's overall budget, PPC has continued to give CDIE high budgetary priority within the Bureau.

CDIE is a complex, yet well-functioning unit. It has evolved over the past five years as a unit with organizational identity, teamwork and a common sense of purpose. While CDIE has made significant achievements, there still are a few areas where further progress is needed. One of these is the need to integrate CDIE into the overall operations of the PPC Bureau. In addition CDIE has not been able to acquire the necessary technology available for information collection, presentation and distribution, including production of color graphics, use of telecommunications for sending information quickly, and compact disk storage technology. While these technologies are available and desired by Agency analysts--especially economists, other social scientists, and program officers--the Agency has made a conscious decision to proceed slowly on the adoption of these technologies until industry standards have been established.

Objective No. 2 - Systematic Use of Information for Decision Making

Since 1984, CDIE has made an effort to enhance the use of development information and evaluation as a management tool for the Agency's decision makers. One important approach has been through direct technical assistance to USAID Missions in the areas of information needs assessments, library development, statistical analysis support, evaluation planning and project evaluations. There are numerous examples of CDIE's having provided this assistance and USAID Missions have commented favorably on such support.

Another approach used by CDIE has been the planning, design and pilot testing of a new workshop on "Collaborative Evaluations". The purpose of the workshop is to provide the geographic Bureaus with a model workshop through which key Missions and counterpart agencies could be oriented to the importance of evaluative information as a program management tool. Since 1985 CDIE has held workshops in collaboration with the geographic Bureaus in Tunisia, Bangladesh, Costa Rica, Egypt, Ecuador, Senegal and Kenya. Other workshops are being planned for Nepal, Guatemala and the Regional Development Office in the Caribbean. A state-of-the-art workshop on the measurement of program impact, especially in agriculture and

rural development programs, was held and included staff from A.I.D., World Bank, UN, IFAD and various universities. Without exception, the geographic and central Bureaus, as well as the USAID Missions, have highly praised the quality of these workshops.

Another of CDIE's major accomplishments over the past year has been the publication of the "A.I.D. Evaluation Handbook", which establishes the Agency's policy and basic procedures for evaluations. This document seeks to lay out an evaluation process that is useful to the Agency in its decision making and management processes. A companion video tape has also been made available. In general, the overall reaction to this handbook has been very positive.

Other guidelines and manuals developed or published in cooperation with other Bureaus by CDIE over the past three years in its series on Program, Design and Evaluation, and Methodology include: "Selecting Data Collection Methods and Preparing Contractor Scopes of Work"; "Evaluation Guidance for Non-project Assistance: Commodity Import Programs"; "An approach to Evaluating the Impact of A.I.D. Projects"; "A Manual for Evaluating Small Scale Enterprise Development Projects"; "Conducting Group Interviews in Developing Countries"; "Guidelines for Data Collection, Monitoring and Evaluation Plans for A.I.D."; and "Rapid, Low Cost Data Collection Methods for A.I.D."

In the area of economic and social data collection, CDIE is establishing the Country Trends Monitoring Network (CTM/N) to facilitate the exchange of country trends data between and among A.I.D./Washington Offices and the USAID missions. This network uses standardized classifications and coding schemes in the computerization of the Agency's data bases and standardized formats for the exchange of data. The principal mode developed for data exchanges is computer diskette, and the development of the network includes plans for converting existing country diskettes into a two-way data exchange system. Currently, the network is being field tested in one or two USAID Missions in each region and the full system is scheduled to be inaugurated in August 1988. Once this system is established, it should eliminate one of the principal complaints of the Agency's economists which is that the economic and social data obtained by CDIE from international sources is too outdated to be useful.

Another tool that CDIE has used successfully for promoting development information and evaluation as a management tool is the periodic meetings of the CDIE led Project Evaluation

Committee composed of the evaluation officers from each of the central and geographic Bureaus. This Committee is used by CDIE to discuss common evaluation problems and issues, share news of the Agency's evaluations activities and coordinate evaluation initiatives, methodologies and findings. Members of the Committee interviewed during the course of this assessment have found the committee to be useful for the exchange of information and as a vehicle for learning about new Agency evaluation initiatives.

Objective No.3 - Enhance A.I.D.'s Knowledge Base of Lessons from Experience

CDIE has pursued this objective by carrying out individual evaluations (54 completed over the past 3 years and 48 currently underway); publishing 12 Occasional Papers on A.I.D. programming topics (e.g. project design, monitoring and evaluation); completing 7 special evaluations requested by A.I.D. senior management; and completing and distributing two syntheses of A.I.D. evaluations covering the years 1984-86.

The quantity of CDIE's in-depth, field based evaluation work has contributed significantly to the Agency's overall knowledge base of lessons learned even though its budget and staff resources have been limited. CDIE's budget for evaluation activities has decreased from about $1.7 million in FY 1985 to $1.3 million in FY 1988. These reductions are primarily the result of an overall cut in the Agency's budget.

Even though CDIE has made progress in building up the Agency's knowledge base of lessons learned from experience, CDIE still needs to develop better systems, techniques and procedures to increase and better track utilization of lessons learned in project and program assistance. Some of the evaluation reports which have been reported to have had specific program impact are the CDIE reports on Women in Development, Social Marketing of Contraceptives, Agricultural Higher Education series, Small Farmer Credit, U.S. Response to the African Famine and Information Systems for Policy Reform programs. However, CDIE has not developed a system to assess or document the impact of its own program effectiveness.

Objective No. 4 - Promote the Use of Development Information and Evaluation by Other Donors and LDCs

The Agency through CDIE has been influential in serving as a model for other donor countries and organizations which, having observed the CDIE approach, wish to combine their own

evaluation and information systems into a similar single interactive system. CDIE has assisted a total of 10 bilateral donors in establishing such a system. In addition, CDIE has worked closely with multilateral agencies including the World Bank and UNDP, which have provided similar access by CDIE into their information and data systems.

CDIE is active in its outreach to other organizations and in network building. It has collaborated with some 33 national and international information centers on sharing of development information. On the domestic side, for example, it is collaborating with the Peace Corps, USIA and the State Department in the sharing of information and evaluation materials.

Over the past three years, CDIE's Director has chaired the Expert Group on aid Evaluation of the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC). During this period impressive progress has been made in the systematic sharing of information among DAC and OECD members. Much of the progress achieved by DAC in this area has been attributed by member countries to the leadership of the Chairman and the example set by CDIE.

Examples of this progress include: (1) a focus on key development issues as opposed to a preoccupation with methodology and process; (2) establishment of an information exchange system among DAC members for sharing of development experience; and (3) production of reports on specific evaluation topics, including a compendium of donor experience with aid evaluations published in four languages, a report categorizing and synthesizing issues from aid evaluations, a review of non-project experience, and other reports on cross-cutting issues such as rural development, sustainability, women in development and environmental impact. The U.S. Chairman played a key role in getting the DAC to sponsor an international seminar with representatives from the developing countries for the first time to promote the use of evaluation in their countries.

Other donor organizations have given high marks to CDIE on the quality of its products and have also indicated that many CDIE materials are used in their organizations. UNDP has adopted the Development Experience Abstract four page format developed by CDIE and is producing its own series based on this format entitled "Findings".

Donors, both international and bi-lateral, appear to have derived considerable benefit from CDIE leadership, initiative and achievements. It is less clear how much this has benefited

the Agency. In view of the small size of the CDIE staff and its limited resources, the time and effort spent on this donor coordination effort have probably diverted some of CDIE's management and staff time away from its work for the Agency.

Objective No. 5 -- Stimulate Demand for Development Information and Evaluation by Marketing, Targeting and Tailoring CDIE Products and Services

CDIE has taken a number of steps to market its development information and evaluation services. Specifically, CDIE has developed a variety of brochures, information packets, newsletters and publications designed to increase the Agency's staff awareness of CDIE services and capabilities. It has also used seminars, workshops and Agency training programs as techniques for increased utilization of CDIE products (i.e. evaluations) and awareness of its services.

In order to overcome the communication problem associated with physical separation from the main body of A.I.D./Washington clients, CDIE has set up an information center in the Department of State building. This center is part of a larger effort to market and increase user awareness of and demand for CDIE services. While there has been an increase in demand for the use of CDIE services through the center in New State, this demand has not been as great as originally expected. However, in the future, CDIE plans to set up in this center a model Information Center for possible replication by USAID Missions.

CDIE has continued to develop new products and services, including the Occasional Paper series, MICRODIS, and the Research and Reference Service. It has modified existing products and services in both its Evaluation and Development Information Divisions to meet client needs and to stimulate additional demand.

Statistics provided by CDIE demonstrate a significant increase in the requests for CDIE information and reference services. For example, requests for Research and Reference Services totaled over 12,000 in FY 1987 versus 11,000 requests in FY 1986. During the first four months of FY 1988, requests have been running at an annualized rate of over 18,800.

CDIE's Development Information Division has assisted 25 USAID Missions over the past 4 years in establishing or expanding development information centers. Mission requests for documents from the Documents and Information Handling Facility have increased from 14,000 in 1984 to some 22,000 in 1987.

CDIE has also introduced new or modified evaluation products in an attempt to remain relevant to its clients' needs and increase demand and use. An example is CDIE's redirection of its Evaluation series to focus more on cross-cutting issues, non-project assistance and special program evaluations.

CDIE management recognizes that the Center is a service office, and has devoted substantial effort to making those services known and to a continuous upgrade in service to expand its clientele.

Further improvements include attractive packaging, user response forms, training classes, bibliographies and abstracts, and growing sophistication in the use of data processing systems. The steady and significant increase in use of the materials and services of the office, doubling since 1985, indicates that these measures are bringing some measure of success.

Objective No. 6 - Upgrade the Quality of CDIE Products and Services

CDIE has experienced dramatic growth in the content and quality of its information data base over the past four years, and has, for instance, entered into formal agreements to exchange information with thirty-three organizations, national and international, including the World Bank, the Canadian International Development Resource Center, United Nations Industrial Development Organization, the United Nations Centre for Regional Development, UNCTAD/GATT and others. Informal arrangements also exist with the International Monetary Fund, the U.S. Department of Agriculture, U.S. Bureau of the Census, National Technical Information Service, National Library of Medicine and others.

The computerized Development Information System (DIS) provides on-line access to citations of over 45,000 documents for more than 6,000 projects. These documents are available on microfiche and in paper copy.

The accessing system, MICRODIS, a software package, was developed by CDIE to help USAID Missions manage and access their document based development information. This package has been installed in 21 organizations, including Private Voluntary Organizations, USAIDS, and foreign governments and organizations. Outstanding requests for MICRODIS installation in French or Spanish have been received in the last six months from seven organizations in four foreign countries. CDIE

provides demonstration opportunities for potential MICRODIS users. CDIE has also provided demonstrations or demonstration copies to a broad range of organizations in-house, nationally, and internationally since August of 1985. Sixty-three such requests have been honored, eleven in 1985, twenty-seven in 1986, nineteen in 1987, and six in the first two months of 1988.

The A.I.D. Library, Research and Reference Service (which now provides "value-added" information to requesters), Document Handling Facility, USDA Technical Information Service, and the Economic and Social Data service, have been used extensively by those within and without the Agency and constitute the bulk of requests for CDIE services. There has been growing demand on CDIE resources as these services have become better known.

Of the 70 USAIDs, 66 have made use of CDIE's information services. All services are free to the Missions, and CDIE has taken a number of creative steps to inform Mission personnel about its services and to upgrade such services to be continuously more responsive through follow-up questionnaires, video tapes, and personal presentations in training sessions and in workshops and conferences. A training module on the services of the office has been developed and is included in the New Entry and Senior Executive Training Course offered by A.I.D.

CDIE's management recognizes that as it moves to provide ever-increasing and improved services the demand will grow. With limited resources, CDIE faces the certain possibility that this increased demand will very likely result in reduction in the quality of service. On the other hand, the office continues to look ahead, and has developed and is investigating the application of high density, mass storage devices (optical/laser disks) which would enable storage of large amounts of textual information as well as diagrammatic and tabular information. Through the use of this technology massive amounts of data could be placed on tiny disks and could serve as mini-libraries and storage facilities in USAIDs.

The availability and potential of this technology has become symbolic of a broader dichotomy between CDIE and IRM, the office which sets the Agency standard in hardware and software systems. Although there seems to be no question as to the delineation of responsibility between the two offices: IRM is a service office, and CDIE, in this instance, is the client, it is not difficult to detect the differences between them. CDIE is attempting to establish firmly A.I.D.'s lead as an exceptional information source and model both for other Federal

agencies and other donors. On the other hand, IRM in trying to minimize costs seeks to ensure that an industry standard prevails for each of the new technologies available before it gives the approval for the purchase of the requisite hardware and software.

The situation between CDIE and IRM is similar to the basic conservative budget vs. high technology implementation dialogue that has become the hallmark of corporate America. For CDIE to succeed in obtaining this technology, it must make a compelling case for its next move into the 21st Century in order to maintain its leadership position. The reluctance of Agency managers to buy into high tech systems leaves CDIE in the position of having few strong allies on this issue. IRM is, it appears, willing to accommodate the new technology, but does not share the same sense of urgency and is driven by concerns for agency-wide standardization to contain costs and facilitate acquisition, training and servicing. Top management of both offices is aware of both sides of this issue but has not worked out the next steps that should be taken to improve upon the information storage and retrieval technology. Much more discussion is needed between these offices if the Agency is to move ahead with the new technology required.

The more highly visible function of CDIE, which actually commands less in terms of resource allocation, is the evaluation activity, which is divided into two functional areas. First, it designs, implements, and publishes special in-depth evaluative studies of A.I.D. projects, programs, and policies, including impact evaluations focused on A.I.D.'s performance in a specific sector, policy-oriented evaluations, and evaluations of special programs, non-project assistance and country assistance programs. The second function is to encourage application of the findings of these evaluations to decision making within the Agency as well as to provide support for Agency decentralized evaluation activities. CDIE has made great efforts to disseminate these materials, including production of four page summary documents and lessons learned extrapolations, placement of articles in A.I.D.'s Newspaper (Front Lines), and in sponsorship of workshops and conferences. Nevertheless, Agency readership and application, while improving, appears to be uneven.

IV. PERFORMANCE IN PROVIDING SERVICE TO A.I.D. BUREAUS, OFFICES AND MISSIONS

CDIE is a service office. The collection and dissemination of data, provision of data bases and relevant data transfer

mechanisms, compilation and operation of the A.I.D. library, and provision of evaluation guidance and design, as well as the much-used research and reference capacity, are all client useful service functions.

In order to have a market for the data which CDIE compiles and stores, it is necessary that its services be known, that the materials it collects and produces be relevant and valuable to the Agency's managers and to others in the field of development work and that the products of its systems be readily accessible, understandable, timely and integrated into the work of the Agency. However, CDIE has a continuing problem, expressed succinctly by a former Mission Director and current Bureau senior manager who had used CDIE extensively: "How can this wonderful resource be made known to AID/W and USAIDS so that it will be drawn on?"

The Center is physically isolated not only from its users in the field, but from many of its users in Washington. In addition, based on recurring comments from some outside of CDIE, the Center is also isolated within the Agency in that its management is not consistently included in policy level meetings where strategic applications of information and of the evaluation process might be discussed, and is not privy firsthand to the discussions in which Agency policy and directions are set. It is believed by many of those interviewed that the inclusion of the Center's Director in these formative meetings would be of value to all concerned in highlighting little known data already in the system and signalling areas of potential interest for future data gathering and evaluation.

On the positive side, CDIE has developed an impressive array of reference materials, including databases for Moody's, Standard and Poor's, Dun & Bradstreet, the U.S. Yellow Pages, Who's Who, and others; the statistical data bases of the International Monetary Fund, the World Bank, the Food and Agriculture Organization, the Organization for Economic Cooperation and Development (OECD), and, in the United States, the Bureau of Labor Statistics, the Department of Agriculture, Donnelly, and Export Reports. Other data bases in the areas of the U.S. Government, major U.S. Newspapers and wire services, business, Research in Progress, agriculture, economics and international organizations are also accessed. Research and reference services are available on request which will search, screen, assemble, and summarize information on any subject relevant to AID's present concerns, although detailed value added analysis is not within the purview or staff capacity of the office. In addition, the Center conducts both an expert search service and a quick reference service upon request.

A further information service, the Economic and Social Data Base (ESDB), is an automated computer system for the storage, analysis and dissemination of economic and social statistical data. The staff does analyze data and provide statistical reports in response to specific information requests in this area.

In the Evaluation area, CDIE is responsible for A.I.D.'s central evaluation functions and provides guidance and technical assistance in the application of lessons from A.I.D.'s experience to project design and implementation, as well as for overall policy development.

With all of this available, it might be thought that the staff would be inundated with requests for information and for assistance. In reality, the use is uneven from Mission to Mission and from office to office. The demand, while increasing, seems to grow exponentially as a user has experience with the products and responses of the Center. CDIE is identified more closely with evaluation even though the actual demand by users is heavier on the information, research and reference side.

Numerous Missions responded to the AID/W inquiry on CDIE performance by cable. Several Mission Directors and former Mission Directors were interviewed as well. The general response was positive, depicting CDIE as responsive, relevant, and prompt. The most frequently expressed comment focused on the prompt manner in which the request was handled. A number of Missions indicated frequent use of CDIE services and characterized CDIE's function of serving as a central point for obtaining information as an invaluable asset. Specific remarks were also made concerning the importance and value of CDIE materials in project design and strategy conceptualization. In addition, special mention was made of the importance and convenience of the diskette library materials. While the bulk of comments focused on the information and research and reference services of the Center, high marks were also given on the overall quality of the Evaluation Handbook and the CDIE Impact Evaluations.

Mission criticism was not overwhelming, but did in several instances comment that some economic and social data information is substantially out of date when received. One Mission indicated that suggested revisions to this data are not made. Several Missions indicated a need to be more selective on the part of CDIE when providing responses and bibliographies so as not to, in the words of one, "drown" the Missions in

paper and information. The most frequent concern expressed highlighted a lack of sufficient publicity on the various services and materials which CDIE has to offer. Some Missions indicated they would like to be more involved in setting the CDIE evaluation agenda. The comments made about CDIE are fairly uniform from the smaller to the largest Missions. It was interesting to note that the more use a Mission has made of CDIE's services, the more positive is the response to CDIE.

On balance, the responses from USAID Missions indicate that they are well served by CDIE in light of its limited staff and budgetary resources. Out of the total of some 70 USAID Missions, 66 have had some interaction with CDIE, and interest is growing in MICRODIS and other computer system interchanges as CDIE continues to upgrade its capacity in this area. There was also generally favorable, although not overwhelmingly positive, response on the part of the geographic Bureaus, where the evaluation function appears to be much better known or associated with CDIE than the information function.

The question of the contribution of CDIE's studies and other outputs to the state-of-the-art must be looked at from both the information and evaluation sides of the operation. Consultations with other donors indicated that CDIE's information system is a leader in its field among the donors. The Canadian International Development Agency, the United Nations and the World Bank are in various stages of plugging into and emulating the CDIE system. The system developed by CDIE is regarded as state-of-the-art by peer agencies, even though some in the Agency believe that the system is being constrained in some respects by lack of access to the latest technology for information systems. The document storage and retrieval system, and the information search and summary systems truly have given A.I.D. a memory--a memory that is growing in its use by the Agency and yet still is greatly under-utilized.

On the evaluation side, a good effort has been made to insure the quality and relevance of CDIE studies. However, evaluations by nature are retrospective. They look at what the Agency has done in the past in order to gain insights into the future. There is a tension between this aspect of evaluation and the need for the Agency to use evaluation to look ahead in its policy and program development.

There is, in addition, a timeliness issue. A year or two is required to carry out a major evaluation, as well as a year or more for publication, creating a serious time-lag factor.

This must be addressed if the Agency and the development community are to achieve the desirable rapid feedback on the results of CDIE evaluations and studies.

V. ORGANIZATIONAL PLACEMENT AND RESOURCE ADEQUACY

At the time the information and evaluation functions were combined within PPC in 1983, the Agency envisioned that this reorganization would bring a more rational and coherent organizational structure to these key functions. It was also believed that the restructuring would help to insure that the Agency's evaluation, information and economic and social data functions would be better integrated into the PPC Bureau's central programming, economic analysis and policy functions. While PPC has made an effort to achieve some integration of the various functions to improve the Agency's overall economic analysis, planning and policy responsibilities, the results leave room for improvement.

Within PPC's current organizational structure, the Office of Policy Development and Program Review (PDPR) is the Agency's central source of expertise, information and guidance on major policy issues and options on U.S. economic assistance matters. The Office of Economic Affairs (EA) provides the expertise, information and policy guidance on international economic policy issues and longer term world-wide economic and social trends, and provides in-depth analysis on developmental problems. While these critical offices should be heavy users of CDIE information, evaluation and data resources, this is not the case. Rather, staff in these offices state that the kinds of information being obtained and stored by CDIE are not the right kinds of information needed or desired in their own work. They further state that these data are often outdated and are not stored in a usable form. Part of the problem apparently is that much of CDIE's work deals with matters past. As such, it is contended by these offices that CDIE is not providing state-of-the-art material or the kinds of information that these offices feel they need.

One of the problems hindering achievement of a more functional integration of CDIE into the PPC Bureau has been the physical isolation of CDIE which is located in Rosslyn, Virginia. This has made it difficult to achieve the necessary communication and interaction. CDIE has often operated on its own with only general guidance on priorities for its work from the Agency's senior management. If co-location of the various CDIE offices is not possible in the near term, a greater effort on the part of the Bureau will be required to overcome the

adverse effects of this physical isolation and would seem to be in order. This might include more frequent meetings and interactions among these offices to exchange ideas and develop common objectives.

Other options for the location of CDIE were explored and included: (1) CDIE as a major office reporting directly to the Administrator; (2) CDIE combined with the Policy Development and Program Review Office in PPC; (3) movement of CDIE evaluation functions to the geographic Bureaus; and (4) establishment of CDIE within A.I.D. as a prestigious Center for Development Studies, to include visiting fellows from academia and elsewhere in the development community. This would include long term training/study assignments for AID personnel. Each of these options is discussed below.

The first option, that of establishing CDIE as a major office reporting directly to the Administrator, is a popular one for major corporations in the private sector. These corporations have opted to place information and evaluation functions near top management with a separate Vice-President to cover such functions. This option offers the benefit of placing considerable resources in the hands of top management for use as a management tool thereby elevating the priority of the function. From the perspective of Agency management, however, such a move would add another staff supervision burden to the Administrator's office. This could also result in CDIE's being less of a service organization for the rest of the Agency than it now is by isolating it at a higher level.

Another option explored was that of combining CDIE with PPC's PDPR Office. While this might overcome the present problem of insufficient integration into the policy process, this appears to be an extreme solution to a communication problem for which there are other and preferable solutions. CDIE is designed to be a service organization while PDPR is viewed to function in more of a critical review role. While CDIE should feed the policy process, its evaluation and information systems work should remain independent from the high pressure environment of a policy office.

A third option explored was that of decentralizing the evaluation functions to the geographic Bureaus. This option was recommended as a method of placing the evaluation function closer to the Agency's operational decision makers. Nevertheless, the geographic Bureaus generally have given a low priority to allocation of direct-hire positions for evaluation, except for the Asia and Near East Bureau. Dismantling an office with central focus and critical mass and a global as

well as a geographic focus would not appear to offer advantages toward improving the Agency's evaluation functions but would more than likely result in the Agency's giving a lower priority to its evaluation functions.

An additional option explored was that of establishing a Center for Development Studies. This option offers the advantage of giving the Agency a development studies "think tank" and holds out the attraction of drawing highly qualified professionals from the academic community and the private sector to spend excursion tours in the Agency. Such an approach could strengthen the quality of the Agency information and evaluation services, as well as its links with academia and the private sector. It could also provide the Agency with an opportunity to give its operational staff an in-house sabbatical period to write and reflect on personal development experiences. The down-side of this option is the substantial additional cost it could entail for the Agency.

Based on this review, CDIE appears to be properly placed as a separate office within PPC. Its lack of proximity to the rest of PPC and the geographic Bureau should be improved. In addition, CDIE should be better integrated within the overall decision making apparatus of the PPC Bureau.

In regard to the question of the adequacy of staff and financial resources, CDIE in 1985 went through an Agency mandated staff reduction as a part of an overall Agency staff reduction exercise. CDIE staff was reduced by 40%. The evaluation side of CDIE was harder hit. Effectively, the evaluation staff declined from a level of 28 full and part time staff, to 9 full and part time employees. This large loss in staff has been offset slightly by the arrival of an Evaluation Applications and Methods Contract (4 employees) with the 8(a) firm of Labat-Anderson. Without this contract, the methodology support and special studies functions of CDIE would be in serious difficulty.

The reduction has also had an impact on CDIE's evaluation capability. Junior level positions have been dropped which has resulted in professional staff performing far more administrative and routine work than one would expect at the GS 13 and 14 levels. Field work has also been drastically curtailed and contract employees, especially on the methods side, have been used to take up some of the slack caused by the direct hire cutbacks. Unfortunately, using contract employees for the methodology work has left less money remaining for impact type evaluations. These evaluations have been cut to

about two topic series per year from an average of about four in earlier years. CDIE has tried to compensate for these cuts by increasing the number of desktop evaluations and special studies, using both direct hire and contract employees. It has become increasingly difficult for CDIE to obtain direct-hire personnel for its evaluations due to the Agency's overall reduction in personnel. Between one and two dozen of these studies are done per year. The rationale has been that these studies are cheap and can be done relatively quickly. Reports on their quality have been mixed.

In contrast to this situation, the Development Information side of CDIE over the same period has dropped from 11 to 9.4 full and part time direct hire positions. The cuts in this area have been less severe since the Agency required a basic core staff to maintain the basic data and information systems. This small staff is further supplemented by two large and two small contract operations. These four include a Document and Information Handling Facility (25 contract employees); a Research and Reference Service, including the AID Library (18 contract employees); an Economic and Social Data Service (5 contract employees); and a Technical Inquiry Service (5 USDA RSSA employees). Contract levels have remained about the same for the development information contracts, although the Document Information and Handling contract has dropped 10 positions. This reduction was necessary because costs were escalating and CDIE was unable to come up with the additional funds required to maintain these positions.

The demand for and supply of services from CDIE has been growing dramatically in recent years and there appears to be a high degree of satisfaction with the speed and quality of service in the development information areas. However, CDIE management indicates that the service is being pushed to the limit now and that quality and performance will fall off as demand increases further. Moreover, as the Agency increasingly focuses its program on the problems and prospects of economic growth, new types of demand will be created in the area of search synthesis and presentation--areas in which the development information side of CDIE is not well staffed at the present.

With respect to the budget, at $4.3 million, it has held fairly steadily in the face of substantial Agency cutbacks. CDIE feels that an increased budget to about $5 million total would: permit extension of outreach through workshops and

conferences; increase quality control by permitting use of peer review panels; allow the performance of more impact studies; and facilitate acquisition of more effective hardware and software. Currently, it appears that staffing is about right for the budget levels provided. However, there is no question that additional staff will be required if CDIE is to meet the anticipated growth and demand for its services. Some of those interviewed have expressed concern that CDIE should have more Foreign Service personnel on its staff.

CDIE is a complex and multifaceted organization. It engages in a broad range of services and activities. There are many questions of opportunity costs and alternative uses of staff and resources. These should be reviewed programmatically and strategically by the Agency before substantive changes are made. There clearly is room for improvement in the services being provided but CDIE has shown professional growth and has had a beneficial impact on the Agency and the development community in general.

VI. CONCLUSIONS

CDIE appears to have a valid set of goals and objectives and has made good progress toward achieving them. However, the timing appears right for the Agency to consider more broadly the strategic use of development information and to give a higher priority to the application of evaluation results.

CDIE's management has done a remarkable job of integrating and upgrading the information, evaluation and evaluation methodology units that now constitute the Center and of giving them substance and firm direction. Agency memory, data and information systems are in place and functioning well. CDIE has provided leadership both internationally and within the Agency in the information and evaluation fields. Nonetheless, challenges still remain. Achievements in one area seem to create needs and opportunities in others.

In both its information and evaluation functions, CDIE has attempted to link more effectively into Agency policy priorities. Yet, there still is room for improvement. Perhaps most important is that Agency senior management should take a more active role in setting evaluation and information priorities than is presently the case.

CDIE has made a tremendous effort through publications, syntheses, workshops, guidelines and networking to make the Agency aware of its services and to have them used in Agency programs, especially in the field. Important inroads have been made in some programs in which lessons learned from experience and the Agency's memory have been used very effectively.

However there persists a perception that Missions are not taking full advantage in program design of the information, lessons and guidelines that CDIE has to offer, despite the requirement to do so set out in the Agency's handbooks.

The problem appears to be twofold. First, the Agency is experiencing an information overload. Any service unit such as CDIE faces a fiercely competitive information market. There is a need to engage in fewer studies of higher priority and focus on quality control, rapid turn-around time and face-to-face dissemination and field utilization. Second, greater priority should be given by the Agency to using the memory it has so effectively put into place.

Despite this perception and problem, CDIE has been effective in dissemination and marketing of its services. Demand has increased overall by some 200% in the past four years. The problem exists, however, that utilization is uneven, increasing geometrically in the Missions that have been "reached" while remaining very thin or non-existent in others. This suggests a considerable latent demand in the field and Washington Bureaus and gives urgency to the question of whether CDIE can cope, within present budget and staff resources, with further marketing success.

CDIE has created for the Agency a position of leadership in the information and evaluation fields with the international donors. Several major donors are trying to emulate the combined information and evaluation approach pioneered by CDIE and have become part of an information sharing, electronically linked network promoted by CDIE. In evaluation, some have followed CDIE's lead in the type of evaluation and evaluation reporting they pursue. This leadership brings with it costs in time, energy and resources as well as obvious benefits. It may be time to consider cutting back on these activities.

CDIE has attempted to keep the Agency in the lead technologically as well in terms of the rapidly improving computer and software applications in information storage, retrieval, analysis and presentation. However, there is tension between this desire on CDIE's part and the Agency's management focus on standardization of computer technology choices.

Organizationally, there is a range of options as to how CDIE might be reorganized or located differently within the Agency. However, most of those interviewed appear comfortable with the present arrangement in PPC, calling only for closer integration within PPC and greater physical proximity to the geographic bureaus.

MANAGEMENT ASSESSMENT

Center for Development Information and Evaluation

Bureau for Program and Policy Coordination

April 1988

Eric Chetwynd

Julius E. Coles

Barbara Ludden

Sean Walsh

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EXECUTIVE SUMMARY

Pursuant to one of the requirements set forth in the 1988 Continuing Resolution, this report covers the management assessment of the operation of the Center for Development Information and Evaluation of the Bureau for Policy and Program Coordination (CDIE/PPC). The report was based on data collected through personnel and telephone interviews, review of numerous documents and cable exchanges with USAID Missions.

Based on this review, it was determined that CDIE goals and objectives generally remain valid. The Center has sought to create a viable information and evaluation unit within the Agency and to promote the development, storage, dissemination and application of information and lessons learned. The Agency needs to establish a policy for the strategic use of development information and to give higher priority to the use of evaluation in the Agency's decision making.

CDIE management and staff have done an outstanding job of establishing the CDIE unit from information and evaluation functions located in two separate Bureaus in the Agency. The Center has established a credible A.I.D. memory, increased dramatically the demand for its information services, provided guidance and stewardship in evaluation and given the Agency a position of leadership among the donor community in the information and evaluation fields. There still is room for improvement, however, especially in linking CDIE more effectively into Agency policy priorities and promoting within the Agency a wider knowledge of its available services.

Reports from the USAID Missions and A.I.D./Washington offices generally are favorable towards CDIE, especially with respect to information services. Nonetheless, there does persist a clear perception that the results of CDIE evaluations and lessons learned are not regularly or evenly used in Mission project and program development exercises. There is a need for more targeting of evaluation studies for users.

Organizationally, the concensus is that CDIE is properly located and organized but suffers from a lack of physical access to and integration with the rest of PPC and the geographic Bureaus. CDIE is doing its job well with its existing staff and budget resources, but may be required to make some internal resource adjustments to increase the utilization of its evaluation results and information services. If the demand for CDIE services continues to grow, and budget and staff allocations remain at present levels, the quality of CDIE's product will undoubtedly suffer.

I. INTRODUCTION

In response to a requirement contained in the FY 1988 Continuing Resolution, the A.I.D. Administrator appointed a team to assess the management and performance of the Center for Development Information and Evaluation (CDIE) of the Bureau of Policy and Program Coordination (PPC). The team was composed of three career A.I.D. Foreign Service professionals and one outside consultant.

The team decided to focus the assessment on four basic questions asked in the legislation. In addition to reviewing documentation describing the Center's goals, objectives and programs, and reports on program achievement, the team agreed to hold a schedule of "off the record" interviews with representatives of other Bureaus and Offices, USAID Missions and others doing business with CDIE. The Center, itself, was cooperative and produced quickly, efficiently, and in very usable form all documents and materials requested during the course of this management study.

Interviews were conducted with current and previous senior officials of the Bureau of Policy and Program Coordination, the Division Chiefs and other senior staff of CDIE, Mission Directors, officers of other Central and Regional Bureaus, and representatives of major donors and international organizations during the course of the assessment.

The initial meetings, with senior officers of the PPC Bureau and the CDIE Office, were attended by the entire team. Subsequent interviews with other offices and organizations were carried out by dividing the full team up into sub-teams of two members each.

Cabled field responses to a general inquiry concerning interaction and responsiveness were reviewed by the entire team and the results were incorporated into the assessment.

All material collected was reviewed and discussed. Based on these discussions, individual team members drafted assigned sections of the report. The drafts were then critiqued and edited by each team member. The final edited report was endorsed fully by the team.

II. VALIDITY OF GOALS AND OBJECTIVES

A 1982 General Accounting Office Report entitled "Experience -- a Potential Tool for Improving U.S. Assistance Abroad", criticized A.I.D. for failing to use its experience in the management of the foreign assistance program. The Agency's response was to undertake in 1983 a major reorganization of its evaluation and information functions. As a result, a new Office of Evaluation and Development Information Services (EDIS) was established in the Bureau for Policy Planning and Coordination (PPC) by combining two divisions of the former Development Information Utilization Services (DIU) of the Science and Technology Bureau (S&T) and two divisions of the Office of Evaluation within PPC that dealt with evaluation studies and program evaluation systems. At the time of the establishment of this new office, A.I.D. envisioned that it would help the Agency to:

-- rebuild analytical capacity
-- focus on user needs for information
-- keep the memory and library functions more in touch with their clientele
-- bridge the gap between "evaluation methods" and "evaluation studies".

In 1984, EDIS was renamed the Center for Development Information and Evaluation (CDIE). The overall goal of CDIE was defined as: the fostering of the use of development information in support of A.I.D.'s assistance effort. This goal was expected to be achieved by:

-- acquiring and analyzing information on A.I.D.'s development experience and transforming it into meaningful program planning guidance;

-- promoting the application of lessons of experience in program planning and management, and in policy formulation;

-- increasing A.I.D. staff awareness and use of evaluation and development information; and

-- extending development information and evaluation experience and methods to the LDCs and other aid donors as an integral part of program management.

In furtherance of this goal, CDIE has established the following specific objectives over the FY 1984 to 1988 period:

1. To establish a new unit within A.I.D. to promote the use of development information and assist the Agency in learning from experience.

2. To improve the management of Agency programs by promoting the systematic use of information for decision making.

3. To enhance A.I.D.'s knowledge of lessons from experience in key development topics.

4. To promote the use of development information and evaluation and the use of lessons of experience by other donors and LDCs.

5. To stimulate a demand for development information and evaluation by marketing, targeting and tailoring CDIE products and services for users, in particular USAID Missions.

6. To upgrade the quality of CDIE products and services.

While CDIE's goals and objectives basically are valid as currently stated, modifications or additions should be made to take into account the Agency's need to: (1) develop an overall policy on the strategic use of development information; (2) give higher priority and importance to the role evaluation should have in policy, program, project approval and decision making processes at the senior-management level; and (3) improve the overall quality of the Agency's evaluation reports.

III. HOW WELL CURRENTLY STATED GOALS AND OBJECTIVES ARE BEING ACHIEVED

Objective No. 1 - Establish a New Unit to Promote the Use of Development Information

The decision to create CDIE from two former separate units was sound. CDIE's establishment has helped to overcome the problems of responding to user needs for information, keeping the memory and library functions more in touch with their users and bridging the gap between evaluation methods and studies. The appointment of a highly respected Senior A.I.D. Foreign Service Officer with the rank of Associate Assistant Administrator, reporting directly to the Assistant Administrator for Program and Policy Coordination has helped to give the Center more clout within the Agency. CDIE management and staff have done an excellent job of pulling the two previously separate units together by integrating, staffing,

upgrading and modernizing them and giving them more outreach to the USAID Missions and the development community as a whole. While there has been a decline in the Agency's overall budget, PPC has continued to give CDIE high budgetary priority within the Bureau.

CDIE is a complex, yet well-functioning unit. It has evolved over the past five years as a unit with organizational identity, teamwork and a common sense of purpose. While CDIE has made significant achievements, there still are a few areas where further progress is needed. One of these is the need to integrate CDIE into the overall operations of the PPC Bureau. In addition CDIE has not been able to acquire the necessary technology available for information collection, presentation and distribution, including production of color graphics, use of telecommunications for sending information quickly, and compact disk storage technology. While these technologies are available and desired by Agency analysts--especially economists, other social scientists, and program officers--the Agency has made a conscious decision to proceed slowly on the adoption of these technologies until industry standards have been established.

Objective No. 2 - Systematic Use of Information for Decision Making

Since 1984, CDIE has made an effort to enhance the use of development information and evaluation as a management tool for the Agency's decision makers. One important approach has been through direct technical assistance to USAID Missions in the areas of information needs assessments, library development, statistical analysis support, evaluation planning and project evaluations. There are numerous examples of CDIE's having provided this assistance and USAID Missions have commented favorably on such support.

Another approach used by CDIE has been the planning, design and pilot testing of a new workshop on "Collaborative Evaluations". The purpose of the workshop is to provide the geographic Bureaus with a model workshop through which key Missions and counterpart agencies could be oriented to the importance of evaluative information as a program management tool. Since 1985 CDIE has held workshops in collaboration with the geographic Bureaus in Tunisia, Bangladesh, Costa Rica, Egypt, Ecuador, Senegal and Kenya. Other workshops are being planned for Nepal, Guatemala and the Regional Development Office in the Caribbean. A state-of-the-art workshop on the measurement of program impact, especially in agriculture and

rural development programs, was held and included staff from A.I.D., World Bank, UN, IFAD and various universities. Without exception, the geographic and central Bureaus, as well as the USAID Missions, have highly praised the quality of these workshops.

Another of CDIE's major accomplishments over the past year has been the publication of the "A.I.D. Evaluation Handbook", which establishes the Agency's policy and basic procedures for evaluations. This document seeks to lay out an evaluation process that is useful to the Agency in its decision making and management processes. A companion video tape has also been made available. In general, the overall reaction to this handbook has been very positive.

Other guidelines and manuals developed or published in cooperation with other Bureaus by CDIE over the past three years in its series on Program, Design and Evaluation, and Methodology include: "Selecting Data Collection Methods and Preparing Contractor Scopes of Work"; "Evaluation Guidance for Non-project Assistance: Commodity Import Programs"; "An approach to Evaluating the Impact of A.I.D. Projects"; "A Manual for Evaluating Small Scale Enterprise Development Projects"; "Conducting Group Interviews in Developing Countries"; "Guidelines for Data Collection, Monitoring and Evaluation Plans for A.I.D."; and "Rapid, Low Cost Data Collection Methods for A.I.D."

In the area of economic and social data collection, CDIE is establishing the Country Trends Monitoring Network (CTM/N) to facilitate the exchange of country trends data between and among A.I.D./Washington Offices and the USAID missions. This network uses standardized classifications and coding schemes in the computerization of the Agency's data bases and standardized formats for the exchange of data. The principal mode developed for data exchanges is computer diskette, and the development of the network includes plans for converting existing country diskettes into a two-way data exchange system. Currently, the network is being field tested in one or two USAID Missions in each region and the full system is scheduled to be inaugurated in August 1988. Once this system is established, it should eliminate one of the principal complaints of the Agency's economists which is that the economic and social data obtained by CDIE from international sources is too outdated to be useful.

Another tool that CDIE has used successfully for promoting development information and evaluation as a management tool is the periodic meetings of the CDIE led Project Evaluation

Committee composed of the evaluation officers from each of the central and geographic Bureaus. This Committee is used by CDIE to discuss common evaluation problems and issues, share news of the Agency's evaluations activities and coordinate evaluation initiatives, methodologies and findings. Members of the Committee interviewed during the course of this assessment have found the committee to be useful for the exchange of information and as a vehicle for learning about new Agency evaluation initiatives.

Objective No.3 - Enhance A.I.D.'s Knowledge Base of Lessons from Experience

CDIE has pursued this objective by carrying out individual evaluations (54 completed over the past 3 years and 48 currently underway); publishing 12 Occasional Papers on A.I.D. programming topics (e.g. project design, monitoring and evaluation); completing 7 special evaluations requested by A.I.D. senior management; and completing and distributing two syntheses of A.I.D. evaluations covering the years 1984-86.

The quantity of CDIE's in-depth, field based evaluation work has contributed significantly to the Agency's overall knowledge base of lessons learned even though its budget and staff resources have been limited. CDIE's budget for evaluation activities has decreased from about $1.7 million in FY 1985 to $1.3 million in FY 1988. These reductions are primarily the result of an overall cut in the Agency's budget.

Even though CDIE has made progress in building up the Agency's knowledge base of lessons learned from experience, CDIE still needs to develop better systems, techniques and procedures to increase and better track utilization of lessons learned in project and program assistance. Some of the evaluation reports which have been reported to have had specific program impact are the CDIE reports on Women in Development, Social Marketing of Contraceptives, Agricultural Higher Education series, Small Farmer Credit, U.S. Response to the African Famine and Information Systems for Policy Reform programs. However, CDIE has not developed a system to assess or document the impact of its own program effectiveness.

Objective No. 4 - Promote the Use of Development Information and Evaluation by Other Donors and LDCs

The Agency through CDIE has been influential in serving as a model for other donor countries and organizations which, having observed the CDIE approach, wish to combine their own

evaluation and information systems into a similar single interactive system. CDIE has assisted a total of 10 bilateral donors in establishing such a system. In addition, CDIE has worked closely with multilateral agencies including the World Bank and UNDP, which have provided similar access by CDIE into their information and data systems.

CDIE is active in its outreach to other organizations and in network building. It has collaborated with some 33 national and international information centers on sharing of development information. On the domestic side, for example, it is collaborating with the Peace Corps, USIA and the State Department in the sharing of information and evaluation materials.

Over the past three years, CDIE's Director has chaired the Expert Group on aid Evaluation of the Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC). During this period impressive progress has been made in the systematic sharing of information among DAC and OECD members. Much of the progress achieved by DAC in this area has been attributed by member countries to the leadership of the Chairman and the example set by CDIE.

Examples of this progress include: (1) a focus on key development issues as opposed to a preoccupation with methodology and process; (2) establishment of an information exchange system among DAC members for sharing of development experience; and (3) production of reports on specific evaluation topics, including a compendium of donor experience with aid evaluations published in four languages, a report categorizing and synthesizing issues from aid evaluations, a review of non-project experience, and other reports on cross-cutting issues such as rural development, sustainability, women in development and environmental impact. The U.S. Chairman played a key role in getting the DAC to sponsor an international seminar with representatives from the developing countries for the first time to promote the use of evaluation in their countries.

Other donor organizations have given high marks to CDIE on the quality of its products and have also indicated that many CDIE materials are used in their organizations. UNDP has adopted the Development Experience Abstract four page format developed by CDIE and is producing its own series based on this format entitled "Findings".

Donors, both international and bi-lateral, appear to have derived considerable benefit from CDIE leadership, initiative and achievements. It is less clear how much this has benefited

the Agency. In view of the small size of the CDIE staff and its limited resources, the time and effort spent on this donor coordination effort have probably diverted some of CDIE's management and staff time away from its work for the Agency.

Objective No. 5 -- Stimulate Demand for Development Information and Evaluation by Marketing, Targeting and Tailoring CDIE Products and Services

CDIE has taken a number of steps to market its development information and evaluation services. Specifically, CDIE has developed a variety of brochures, information packets, newsletters and publications designed to increase the Agency's staff awareness of CDIE services and capabilities. It has also used seminars, workshops and Agency training programs as techniques for increased utilization of CDIE products (i.e. evaluations) and awareness of its services.

In order to overcome the communication problem associated with physical separation from the main body of A.I.D./Washington clients, CDIE has set up an information center in the Department of State building. This center is part of a larger effort to market and increase user awareness of and demand for CDIE services. While there has been an increase in demand for the use of CDIE services through the center in New State, this demand has not been as great as originally expected. However, in the future, CDIE plans to set up in this center a model Information Center for possible replication by USAID Missions.

CDIE has continued to develop new products and services, including the Occasional Paper series, MICRODIS, and the Research and Reference Service. It has modified existing products and services in both its Evaluation and Development Information Divisions to meet client needs and to stimulate additional demand.

Statistics provided by CDIE demonstrate a significant increase in the requests for CDIE information and reference services. For example, requests for Research and Reference Services totaled over 12,000 in FY 1987 versus 11,000 requests in FY 1986. During the first four months of FY 1988, requests have been running at an annualized rate of over 18,800.

CDIE's Development Information Division has assisted 25 USAID Missions over the past 4 years in establishing or expanding development information centers. Mission requests for documents from the Documents and Information Handling Facility have increased from 14,000 in 1984 to some 22,000 in 1987.

CDIE has also introduced new or modified evaluation products in an attempt to remain relevant to its clients' needs and increase demand and use. An example is CDIE's redirection of its Evaluation series to focus more on cross-cutting issues, non-project assistance and special program evaluations.

CDIE management recognizes that the Center is a service office, and has devoted substantial effort to making those services known and to a continuous upgrade in service to expand its clientele.

Further improvements include attractive packaging, user response forms, training classes, bibliographies and abstracts, and growing sophistication in the use of data processing systems. The steady and significant increase in use of the materials and services of the office, doubling since 1985, indicates that these measures are bringing some measure of success.

Objective No. 6 - Upgrade the Quality of CDIE Products and Services

CDIE has experienced dramatic growth in the content and quality of its information data base over the past four years, and has, for instance, entered into formal agreements to exchange information with thirty-three organizations, national and international, including the World Bank, the Canadian International Development Resource Center, United Nations Industrial Development Organization, the United Nations Centre for Regional Development, UNCTAD/GATT and others. Informal arrangements also exist with the International Monetary Fund, the U.S. Department of Agriculture, U.S. Bureau of the Census, National Technical Information Service, National Library of Medicine and others.

The computerized Development Information System (DIS) provides on-line access to citations of over 45,000 documents for more than 6,000 projects. These documents are available on microfiche and in paper copy.

The accessing system, MICRODIS, a software package, was developed by CDIE to help USAID Missions manage and access their document based development information. This package has been installed in 21 organizations, including Private Voluntary Organizations, USAIDS, and foreign governments and organizations. Outstanding requests for MICRODIS installation in French or Spanish have been received in the last six months from seven organizations in four foreign countries. CDIE

provides demonstration opportunities for potential MICRODIS users. CDIE has also provided demonstrations or demonstration copies to a broad range of organizations in-house, nationally, and internationally since August of 1985. Sixty-three such requests have been honored, eleven in 1985, twenty-seven in 1986, nineteen in 1987, and six in the first two months of 1988.

The A.I.D. Library, Research and Reference Service (which now provides "value-added" information to requesters), Document Handling Facility, USDA Technical Information Service, and the Economic and Social Data service, have been used extensively by those within and without the Agency and constitute the bulk of requests for CDIE services. There has been growing demand on CDIE resources as these services have become better known.

Of the 70 USAIDs, 66 have made use of CDIE's information services. All services are free to the Missions, and CDIE has taken a number of creative steps to inform Mission personnel about its services and to upgrade such services to be continuously more responsive through follow-up questionnaires, video tapes, and personal presentations in training sessions and in workshops and conferences. A training module on the services of the office has been developed and is included in the New Entry and Senior Executive Training Course offered by A.I.D.

CDIE's management recognizes that as it moves to provide ever-increasing and improved services the demand will grow. With limited resources, CDIE faces the certain possibility that this increased demand will very likely result in reduction in the quality of service. On the other hand, the office continues to look ahead, and has developed and is investigating the application of high density, mass storage devices (optical/laser disks) which would enable storage of large amounts of textual information as well as diagrammatic and tabular information. Through the use of this technology massive amounts of data could be placed on tiny disks and could serve as mini-libraries and storage facilities in USAIDs.

The availability and potential of this technology has become symbolic of a broader dichotomy between CDIE and IRM, the office which sets the Agency standard in hardware and software systems. Although there seems to be no question as to the delineation of responsibility between the two offices: IRM is a service office, and CDIE, in this instance, is the client, it is not difficult to detect the differences between them. CDIE is attempting to establish firmly A.I.D.'s lead as an exceptional information source and model both for other Federal

agencies and other donors. On the other hand, IRM in trying to minimize costs seeks to ensure that an industry standard prevails for each of the new technologies available before it gives the approval for the purchase of the requisite hardware and software.

The situation between CDIE and IRM is similar to the basic conservative budget vs. high technology implementation dialogue that has become the hallmark of corporate America. For CDIE to succeed in obtaining this technology, it must make a compelling case for its next move into the 21st Century in order to maintain its leadership position. The reluctance of Agency managers to buy into high tech systems leaves CDIE in the position of having few strong allies on this issue. IRM is, it appears, willing to accommodate the new technology, but does not share the same sense of urgency and is driven by concerns for agency-wide standardization to contain costs and facilitate acquisition, training and servicing. Top management of both offices is aware of both sides of this issue but has not worked out the next steps that should be taken to improve upon the information storage and retrieval technology. Much more discussion is needed between these offices if the Agency is to move ahead with the new technology required.

The more highly visible function of CDIE, which actually commands less in terms of resource allocation, is the evaluation activity, which is divided into two functional areas. First, it designs, implements, and publishes special in-depth evaluative studies of A.I.D. projects, programs, and policies, including impact evaluations focused on A.I.D.'s performance in a specific sector, policy-oriented evaluations, and evaluations of special programs, non-project assistance and country assistance programs. The second function is to encourage application of the findings of these evaluations to decision making within the Agency as well as to provide support for Agency decentralized evaluation activities. CDIE has made great efforts to disseminate these materials, including production of four page summary documents and lessons learned extrapolations, placement of articles in A.I.D.'s Newspaper (Front Lines), and in sponsorship of workshops and conferences. Nevertheless, Agency readership and application, while improving, appears to be uneven.

IV. PERFORMANCE IN PROVIDING SERVICE TO A.I.D. BUREAUS, OFFICES AND MISSIONS

CDIE is a service office. The collection and dissemination of data, provision of data bases and relevant data transfer

mechanisms, compilation and operation of the A.I.D. library, and provision of evaluation guidance and design, as well as the much-used research and reference capacity, are all client useful service functions.

In order to have a market for the data which CDIE compiles and stores, it is necessary that its services be known, that the materials it collects and produces be relevant and valuable to the Agency's managers and to others in the field of development work and that the products of its systems be readily accessible, understandable, timely and integrated into the work of the Agency. However, CDIE has a continuing problem, expressed succinctly by a former Mission Director and current Bureau senior manager who had used CDIE extensively: "How can this wonderful resource be made known to AID/W and USAIDS so that it will be drawn on?"

The Center is physically isolated not only from its users in the field, but from many of its users in Washington. In addition, based on recurring comments from some outside of CDIE, the Center is also isolated within the Agency in that its management is not consistently included in policy level meetings where strategic applications of information and of the evaluation process might be discussed, and is not privy firsthand to the discussions in which Agency policy and directions are set. It is believed by many of those interviewed that the inclusion of the Center's Director in these formative meetings would be of value to all concerned in highlighting little known data already in the system and signalling areas of potential interest for future data gathering and evaluation.

On the positive side, CDIE has developed an impressive array of reference materials, including databases for Moody's, Standard and Poor's, Dun & Bradstreet, the U.S. Yellow Pages, Who's Who, and others; the statistical data bases of the International Monetary Fund, the World Bank, the Food and Agriculture Organization, the Organization for Economic Cooperation and Development (OECD), and, in the United States, the Bureau of Labor Statistics, the Department of Agriculture, Donnelly, and Export Reports. Other data bases in the areas of the U.S. Government, major U.S. Newspapers and wire services, business, Research in Progress, agriculture, economics and international organizations are also accessed. Research and reference services are available on request which will search, screen, assemble, and summarize information on any subject relevant to AID's present concerns, although detailed value added analysis is not within the purview or staff capacity of the office. In addition, the Center conducts both an expert search service and a quick reference service upon request.

A further information service, the Economic and Social Data Base (ESDB), is an automated computer system for the storage, analysis and dissemination of economic and social statistical data. The staff does analyze data and provide statistical reports in response to specific information requests in this area.

In the Evaluation area, CDIE is responsible for A.I.D.'s central evaluation functions and provides guidance and technical assistance in the application of lessons from A.I.D.'s experience to project design and implementation, as well as for overall policy development.

With all of this available, it might be thought that the staff would be inundated with requests for information and for assistance. In reality, the use is uneven from Mission to Mission and from office to office. The demand, while increasing, seems to grow exponentially as a user has experience with the products and responses of the Center. CDIE is identified more closely with evaluation even though the actual demand by users is heavier on the information, research and reference side.

Numerous Missions responded to the AID/W inquiry on CDIE performance by cable. Several Mission Directors and former Mission Directors were interviewed as well. The general response was positive, depicting CDIE as responsive, relevant, and prompt. The most frequently expressed comment focused on the prompt manner in which the request was handled. A number of Missions indicated frequent use of CDIE services and characterized CDIE's function of serving as a central point for obtaining information as an invaluable asset. Specific remarks were also made concerning the importance and value of CDIE materials in project design and strategy conceptualization. In addition, special mention was made of the importance and convenience of the diskette library materials. While the bulk of comments focused on the information and research and reference services of the Center, high marks were also given on the overall quality of the Evaluation Handbook and the CDIE Impact Evaluations.

Mission criticism was not overwhelming, but did in several instances comment that some economic and social data information is substantially out of date when received. One Mission indicated that suggested revisions to this data are not made. Several Missions indicated a need to be more selective on the part of CDIE when providing responses and bibliographies so as not to, in the words of one, "drown" the Missions in

paper and information. The most frequent concern expressed highlighted a lack of sufficient publicity on the various services and materials which CDIE has to offer. Some Missions indicated they would like to be more involved in setting the CDIE evaluation agenda. The comments made about CDIE are fairly uniform from the smaller to the largest Missions. It was interesting to note that the more use a Mission has made of CDIE's services, the more positive is the response to CDIE.

On balance, the responses from USAID Missions indicate that they are well served by CDIE in light of its limited staff and budgetary resources. Out of the total of some 70 USAID Missions, 66 have had some interaction with CDIE, and interest is growing in MICRODIS and other computer system interchanges as CDIE continues to upgrade its capacity in this area. There was also generally favorable, although not overwhelmingly positive, response on the part of the geographic Bureaus, where the evaluation function appears to be much better known or associated with CDIE than the information function.

The question of the contribution of CDIE's studies and other outputs to the state-of-the-art must be looked at from both the information and evaluation sides of the operation. Consultations with other donors indicated that CDIE's information system is a leader in its field among the donors. The Canadian International Development Agency, the United Nations and the World Bank are in various stages of plugging into and emulating the CDIE system. The system developed by CDIE is regarded as state-of-the-art by peer agencies, even though some in the Agency believe that the system is being constrained in some respects by lack of access to the latest technology for information systems. The document storage and retrieval system, and the information search and summary systems truly have given A.I.D. a memory--a memory that is growing in its use by the Agency and yet still is greatly under-utilized.

On the evaluation side, a good effort has been made to insure the quality and relevance of CDIE studies. However, evaluations by nature are retrospective. They look at what the Agency has done in the past in order to gain insights into the future. There is a tension between this aspect of evaluation and the need for the Agency to use evaluation to look ahead in its policy and program development.

There is, in addition, a timeliness issue. A year or two is required to carry out a major evaluation, as well as a year or more for publication, creating a serious time-lag factor.

This must be addressed if the Agency and the development community are to achieve the desirable rapid feedback on the results of CDIE evaluations and studies.

V. ORGANIZATIONAL PLACEMENT AND RESOURCE ADEQUACY

At the time the information and evaluation functions were combined within PPC in 1983, the Agency envisioned that this reorganization would bring a more rational and coherent organizational structure to these key functions. It was also believed that the restructuring would help to insure that the Agency's evaluation, information and economic and social data functions would be better integrated into the PPC Bureau's central programming, economic analysis and policy functions. While PPC has made an effort to achieve some integration of the various functions to improve the Agency's overall economic analysis, planning and policy responsibilities, the results leave room for improvement.

Within PPC's current organizational structure, the Office of Policy Development and Program Review (PDPR) is the Agency's central source of expertise, information and guidance on major policy issues and options on U.S. economic assistance matters. The Office of Economic Affairs (EA) provides the expertise, information and policy guidance on international economic policy issues and longer term world-wide economic and social trends, and provides in-depth analysis on developmental problems. While these critical offices should be heavy users of CDIE information, evaluation and data resources, this is not the case. Rather, staff in these offices state that the kinds of information being obtained and stored by CDIE are not the right kinds of information needed or desired in their own work. They further state that these data are often outdated and are not stored in a usable form. Part of the problem apparently is that much of CDIE's work deals with matters past. As such, it is contended by these offices that CDIE is not providing state-of-the-art material or the kinds of information that these offices feel they need.

One of the problems hindering achievement of a more functional integration of CDIE into the PPC Bureau has been the physical isolation of CDIE which is located in Rosslyn, Virginia. This has made it difficult to achieve the necessary communication and interaction. CDIE has often operated on its own with only general guidance on priorities for its work from the Agency's senior management. If co-location of the various CDIE offices is not possible in the near term, a greater effort on the part of the Bureau will be required to overcome the

adverse effects of this physical isolation and would seem to be in order. This might include more frequent meetings and interactions among these offices to exchange ideas and develop common objectives.

Other options for the location of CDIE were explored and included: (1) CDIE as a major office reporting directly to the Administrator; (2) CDIE combined with the Policy Development and Program Review Office in PPC; (3) movement of CDIE evaluation functions to the geographic Bureaus; and (4) establishment of CDIE within A.I.D. as a prestigious Center for Development Studies, to include visiting fellows from academia and elsewhere in the development community. This would include long term training/study assignments for AID personnel. Each of these options is discussed below.

The first option, that of establishing CDIE as a major office reporting directly to the Administrator, is a popular one for major corporations in the private sector. These corporations have opted to place information and evaluation functions near top management with a separate Vice-President to cover such functions. This option offers the benefit of placing considerable resources in the hands of top management for use as a management tool thereby elevating the priority of the function. From the perspective of Agency management, however, such a move would add another staff supervision burden to the Administrator's office. This could also result in CDIE's being less of a service organization for the rest of the Agency than it now is by isolating it at a higher level.

Another option explored was that of combining CDIE with PPC's PDPR Office. While this might overcome the present problem of insufficient integration into the policy process, this appears to be an extreme solution to a communication problem for which there are other and preferable solutions. CDIE is designed to be a service organization while PDPR is viewed to function in more of a critical review role. While CDIE should feed the policy process, its evaluation and information systems work should remain independent from the high pressure environment of a policy office.

A third option explored was that of decentralizing the evaluation functions to the geographic Bureaus. This option was recommended as a method of placing the evaluation function closer to the Agency's operational decision makers. Nevertheless, the geographic Bureaus generally have given a low priority to allocation of direct-hire positions for evaluation, except for the Asia and Near East Bureau. Dismantling an office with central focus and critical mass and a global as

well as a geographic focus would not appear to offer advantages toward improving the Agency's evaluation functions but would more than likely result in the Agency's giving a lower priority to its evaluation functions.

An additional option explored was that of establishing a Center for Development Studies. This option offers the advantage of giving the Agency a development studies "think tank" and holds out the attraction of drawing highly qualified professionals from the academic community and the private sector to spend excursion tours in the Agency. Such an approach could strengthen the quality of the Agency information and evaluation services, as well as its links with academia and the private sector. It could also provide the Agency with an opportunity to give its operational staff an in-house sabbatical period to write and reflect on personal development experiences. The down-side of this option is the substantial additional cost it could entail for the Agency.

Based on this review, CDIE appears to be properly placed as a separate office within PPC. Its lack of proximity to the rest of PPC and the geographic Bureau should be improved. In addition, CDIE should be better integrated within the overall decision making apparatus of the PPC Bureau.

In regard to the question of the adequacy of staff and financial resources, CDIE in 1985 went through an Agency mandated staff reduction as a part of an overall Agency staff reduction exercise. CDIE staff was reduced by 40%. The evaluation side of CDIE was harder hit. Effectively, the evaluation staff declined from a level of 28 full and part time staff, to 9 full and part time employees. This large loss in staff has been offset slightly by the arrival of an Evaluation Applications and Methods Contract (4 employees) with the 8(a) firm of Labat-Anderson. Without this contract, the methodology support and special studies functions of CDIE would be in serious difficulty.

The reduction has also had an impact on CDIE's evaluation capability. Junior level positions have been dropped which has resulted in professional staff performing far more administrative and routine work than one would expect at the GS 13 and 14 levels. Field work has also been drastically curtailed and contract employees, especially on the methods side, have been used to take up some of the slack caused by the direct hire cutbacks. Unfortunately, using contract employees for the methodology work has left less money remaining for impact type evaluations. These evaluations have been cut to

about two topic series per year from an average of about four in earlier years. CDIE has tried to compensate for these cuts by increasing the number of desktop evaluations and special studies, using both direct hire and contract employees. It has become increasingly difficult for CDIE to obtain direct-hire personnel for its evaluations due to the Agency's overall reduction in personnel. Between one and two dozen of these studies are done per year. The rationale has been that these studies are cheap and can be done relatively quickly. Reports on their quality have been mixed.

In contrast to this situation, the Development Information side of CDIE over the same period has dropped from 11 to 9.4 full and part time direct hire positions. The cuts in this area have been less severe since the Agency required a basic core staff to maintain the basic data and information systems. This small staff is further supplemented by two large and two small contract operations. These four include a Document and Information Handling Facility (25 contract employees); a Research and Reference Service, including the AID Library (18 contract employees); an Economic and Social Data Service (5 contract employees); and a Technical Inquiry Service (5 USDA RSSA employees). Contract levels have remained about the same for the development information contracts, although the Document Information and Handling contract has dropped 10 positions. This reduction was necessary because costs were escalating and CDIE was unable to come up with the additional funds required to maintain these positions.

The demand for and supply of services from CDIE has been growing dramatically in recent years and there appears to be a high degree of satisfaction with the speed and quality of service in the development information areas. However, CDIE management indicates that the service is being pushed to the limit now and that quality and performance will fall off as demand increases further. Moreover, as the Agency increasingly focuses its program on the problems and prospects of economic growth, new types of demand will be created in the area of search synthesis and presentation--areas in which the development information side of CDIE is not well staffed at the present.

With respect to the budget, at $4.3 million, it has held fairly steadily in the face of substantial Agency cutbacks. CDIE feels that an increased budget to about $5 million total would: permit extension of outreach through workshops and

conferences; increase quality control by permitting use of peer review panels; allow the performance of more impact studies; and facilitate acquisition of more effective hardware and software. Currently, it appears that staffing is about right for the budget levels provided. However, there is no question that additional staff will be required if CDIE is to meet the anticipated growth and demand for its services. Some of those interviewed have expressed concern that CDIE should have more Foreign Service personnel on its staff.

CDIE is a complex and multifaceted organization. It engages in a broad range of services and activities. There are many questions of opportunity costs and alternative uses of staff and resources. These should be reviewed programmatically and strategically by the Agency before substantive changes are made. There clearly is room for improvement in the services being provided but CDIE has shown professional growth and has had a beneficial impact on the Agency and the development community in general.

VI. CONCLUSIONS

CDIE appears to have a valid set of goals and objectives and has made good progress toward achieving them. However, the timing appears right for the Agency to consider more broadly the strategic use of development information and to give a higher priority to the application of evaluation results.

CDIE's management has done a remarkable job of integrating and upgrading the information, evaluation and evaluation methodology units that now constitute the Center and of giving them substance and firm direction. Agency memory, data and information systems are in place and functioning well. CDIE has provided leadership both internationally and within the Agency in the information and evaluation fields. Nonetheless, challenges still remain. Achievements in one area seem to create needs and opportunities in others.

In both its information and evaluation functions, CDIE has attempted to link more effectively into Agency policy priorities. Yet, there still is room for improvement. Perhaps most important is that Agency senior management should take a more active role in setting evaluation and information priorities than is presently the case.

CDIE has made a tremendous effort through publications, syntheses, workshops, guidelines and networking to make the Agency aware of its services and to have them used in Agency programs, especially in the field. Important inroads have been made in some programs in which lessons learned from experience and the Agency's memory have been used very effectively.

However there persists a perception that Missions are not taking full advantage in program design of the information, lessons and guidelines that CDIE has to offer, despite the requirement to do so set out in the Agency's handbooks.

The problem appears to be twofold. First, the Agency is experiencing an information overload. Any service unit such as CDIE faces a fiercely competitive information market. There is a need to engage in fewer studies of higher priority and focus on quality control, rapid turn-around time and face-to-face dissemination and field utilization. Second, greater priority should be given by the Agency to using the memory it has so effectively put into place.

Despite this perception and problem, CDIE has been effective in dissemination and marketing of its services. Demand has increased overall by some 200% in the past four years. The problem exists, however, that utilization is uneven, increasing geometrically in the Missions that have been "reached" while remaining very thin or non-existent in others. This suggests a considerable latent demand in the field and Washington Bureaus and gives urgency to the question of whether CDIE can cope, within present budget and staff resources, with further marketing success.

CDIE has created for the Agency a position of leadership in the information and evaluation fields with the international donors. Several major donors are trying to emulate the combined information and evaluation approach pioneered by CDIE and have become part of an information sharing, electronically linked network promoted by CDIE. In evaluation, some have followed CDIE's lead in the type of evaluation and evaluation reporting they pursue. This leadership brings with it costs in time, energy and resources as well as obvious benefits. It may be time to consider cutting back on these activities.

CDIE has attempted to keep the Agency in the lead technologically as well in terms of the rapidly improving computer and software applications in information storage, retrieval, analysis and presentation. However, there is tension between this desire on CDIE's part and the Agency's management focus on standardization of computer technology choices.

Organizationally, there is a range of options as to how CDIE might be reorganized or located differently within the Agency. However, most of those interviewed appear comfortable with the present arrangement in PPC, calling only for closer integration within PPC and greater physical proximity to the geographic bureaus.

MANAGEMENT ASSESSMENT

THE OFFICE OF HEALTH
BUREAU FOR SCIENCE AND TECHNOLOGY

APRIL 1988

Robert Pratt
James A. Graham
Irwin A. Levy
Richard N. Blue

MANAGEMENT ASSESSMENT
of
THE OFFICE OF HEALTH

BUREAU FOR SCIENCE AND TECHNOLOGY

EXECUTIVE SUMMARY

The Health Office of the A.I.D. Science & Technology Bureau manages a large and technically complex research and field support program. Its responsibilities and workload increased dramatically in 1985 when the Congress appropriated $85 million additional funds for Child Survival. Today, the combination of health, child survival and AIDS appropriations make health the second largest Agency program. The Office plays a major role in the planning, implementation and monitoring of that initiative, in concert with the Child Survival Task Force, regional bureaus and field missions. In early 1985 the Office had 16 full-time equivalent (FTE) staff positions and a $24.8 million budget (OYB). In 1988 it has 20 FTE staff positions and a $63.1 million OYB. To cope with the additional workload the Office employs 18 additional (outside of ceiling) full and part-time staff.

The research projects (11) and field service projects (21) are directed toward high priority health problems confronting LDCs, focussed for the most part on "child survival" interventions. Taken together, immunizations and diarrheal diseases receive the great majority of the Office's time and money. Research is applied rather than basic, with the exception of malaria vaccine development, and field support projects are oriented toward improving service delivery and impacts.

Office performance is considered to be good despite its heavy workload. Research projects appear to be achieving their objectives, although impacts of such projects are difficult to assess. Field support project "clients", regional bureaus and missions for the most part, express almost universal satisfaction with the quality of services received. Quantitatively, the project contractors have undertaken an impressive number of assignments in almost all A.I.D. countries. They have made a major contribution to expanding and strengthening child survival programs around the world. The Office is well regarded by its international agencies, and A.I.D.

The expanded role noted above has caused some strains within the Office and with regional bureaus and missions. The most significant ones are summarized below.

- The Office does not have enough full-time regular A.I.D. employees to manage the program at its current level. Some project officers (Cognizant Technical Officers) are unable to devote adequate time to monitoring their projects and contractors. The Office should not undertake new projects until adequate staff is available.

- The program consumes a large proportion of A.I.D.'s total health/child survival budget (24% in FY89) (exclusive of special AIDs funds). Indeed, as A.I.D.'s Child Survival effort results in expanded mission bilateral projects, there may well be a competition between ST/H and the missions for funds.

- Field support technical assistance has become highly concentrated in the ST/H contractors as a result of quality performance, efficiencies of centralized resources, and convenience of contract "buy-ins". But, regional bureaus are not full partners in the planning, development and implementation of those "field support" projects intended to meet their needs.

- The Child Survival Task Force has done an excellent job coordinating the Initiative, but has generated confusion about organizational responsibilities among regional bureau and ST/H staff. This has apparently contributed to the mediocre performance of the Health Sector Council.

- It should be noted that a number of the projects in the Office portfolio, which have been regarded by regional bureaus as of lowest priority, have come into existence in response to specific Congressional interests.

The Office objectives remain valid and performance is good, but Agency management must consider carefully the appropriate scale of effort the Office should strive for considering financial and human resource constraints facing A.I.D. as a whole.

I. Introduction

In the Omnibus Continuing Resolution for fiscal year 1988, Congress instructed A.I.D. to prepare reports assessing the management and performance of several offices including that of the Office of Health in the Directorate for Health, Bureau for Science and Technology (ST/H). These reports were to assess, inter alia, the validity of the goals and objectives of the Office; how well those goals are being achieved; the

performance of the Office in providing services, as appropriate, to other bureau offices and/or to the Agency's overseas Missions; and, given competing demands being placed on overall Agency resources, whether appropriate personnel and funding resources are being made available for the Office. As further explained by the Senate Appropriations Committee, these reports were to consider whether these offices "...are achieving their stated objectives, whether these objectives can be achieved more efficiently through an alternative organizational structure, and whether, in fact, these objectives remain valid in light of funding and personnel limitations."

In terms of methodology, the team interviewed more than 45 people, reviewed the comments from more than 60 cables from field missions, and reviewed a substantial mass of documentation.

Background

A.I.D. has maintained a central office of health for many years with the objective of supporting research and development on technologies of importance to the developing countries, and providing technical support to its missions and regional bureaus. The Office was part of the Technical Assistance Bureau and Development Support Bureau prior to 1981 when the current Science and Technology Bureau was created.

During the 1970s the Office focussed on health sector management and planning methodologies in order to assist A.I.D. countries build their health delivery system institutional infrastructures, identify priority health problems and allocate resources to address them. Bio medical research was limited, although the malaria vaccine research program which continues today was begun then.

The orientation began to change in the early 1980s to a more disease-specific, and targetted field service program, commensurate with the development of focussed health program strategies being prepared by the regional bureaus and PPC. By 1982/1983 A.I.D health officers had targetted infant mortality reduction as their primary objective, in line with prevailing primary health care goals of WHO and UNICEF and selected oral rehydration therapy, immunizations,nutrition and family planning as their preferred tools. Several ST/H field support projects were started during 1981-1983 to assist with that Agency-wide initiative (Primary Health Care Operations Research - 1981, MEDEX - 1983, Primary Health Care Technologies - 1983). A.I.D. adopted a Health Sector Policy in December 1982 which defined these policy directions and introduced a new Health Sector Strategy in May 1983 which provided guidelines

for the development of Bureau and country assistance programs. This process led to definition of the Child Survival initiative, in concert with WHO, UNICEF and others, and resulted, in FY 1985, in appropriation by Congress of $85 million additional funds for this purpose. An Agency Child Survival Task Force was created to coordinate and monitor the Initiative, but the bulk of the operational workload at the central level fell on the S&T Bureau Health Office. Subsequently, the Agency also received significant funding earmarked for AIDS activities. With the advent of the Child Survival and AIDS funds, ST/H was dramatically changed. In 1984 the Office had 16 staff (FTE positions) and its operating year budget (OYB) was $24.8 million. In 1988 it has 20 authorized (FTE) positions and 38 total staff, and $63.1 million OYB.

Office Objectives

Program direction for the Office is guided by a number of Agency statements of objectives, functions and responsibilities. The Team reviewed statements included in the FY 88 Congressional Presentation (CP) covering a) A.I.D's Health Objectives and b) Central Programs Functions, Handbook 17 Statement of Functions for ST/H, and ST/H Statement of Responsibilities. They are consistent in their focus on a) development and adaptation of new technologies through research, b) application of research results through technical assistance to the field, and c) provision of technical coordination for A.I.D.

Substantively, the FY 88 CP states the Agency's overall health objectives as follows:

- Reduce infant and early child mortality and morbidity;
- Ensure that gains are sustained;
- Reduce maternal mortality and morbidity;
- Develop new cost-effective technologies and improved systems for delivery of child survival services in primary health care programs; and
- support other health interventions in LDCs where they are required.

The statements are consistent in their emphasis on technology development and field support, and yet provide considerable latitude for interpretation concerning relative priority and specific subjects to be pursued. The Team assessed Office performance against its three functions of research, field support, and technical coordination.

II. PERFORMANCE

A. Research & Technology Development

1. The research portfolio consists of 11 projects whose life-of-project funding exceeds $200 million. Table 1 below provides a complete list of the projects with their starting and termination dates, principal contractors, funding and ST/H project officer. The projects concentrated on a few high priority subjects, mostly concerned with "child survival." Several projects include many components, sub-projects, or grantees, which complicate their management.

A rough analysis of the portfolio reveals that six projects are devoted directly to problems confronting diarrheal disease and immunization interventions of child survival programs in the field. They are projects 5928, 5940, 5947, 5952, 5951.01 (Sub-project), and 5920. Three of them are devoted to diarrheal disease control (5928,5940 and 5952), two deal with immunizations (5947 and 5951.01) and one is concerned with child survival service delivery systems across the board (5920).

Three other research projects support child survival objectives, but less directly than the six projects cited above. They are 0453 (Malaria Immunity and Vaccine Research), 5967 (Malaria Field Trials) and 5935 (Diatech). And two projects appear to be unrelated to the Agency's child survival strategy - 1126 (Tropical Disease Research) and 5957 (Americares).

2. The Team found that the research portfolio corresponds closely to the Office's (and Agency's) objectives. It is tightly focussed, for the most part, on high priority field problems and is mostly applied research which promises usable results in relatively short time periods. Exceptions to the first criterion are the TDR annual grant to WHO, and Americares. The first is the Agency-wide policy of supporting WHO, while Americares was in response to a special interest. The malaria vaccine research program represents very long-term basic research which contrasts greatly with the rest of the portfolio.

3. Should A.I.D. be involved in basic research such as the malaria vaccine research program? We encountered strong views among persons interviewed and from reports,as to whether the Office should continue to support the malaria vaccine research program. In fact, the malaria vaccine activity introduces the question as to whether AID should ever again attempt to undertake long term basic research of this nature. Most members of the Team would opt for not undertaking long term basic research again. One member believed that A.I.D. should

engage in supporting basic research on major LDC related problems, but should find ways to reduce the direct management burden of such involvement. Malaria vaccine research is basic scientific research as distinct from applied research, and poses a special opportunity as well as a significant concern. As a serious LDC health problem it is a legitimate AID and CS priority. With no U.S. domestic interest in malaria, it is not appropriate for NIH attention. DOD interest is restricted to temporary protection of healthy adult males. Consequently malaria vaccine research is almost an international research orphan. AID has invested or projected $89 million in vaccine research as well as $5 million in field trials over the past twenty years. Until recently (according to informed sources) AID appeared to be on the verge of a breakthrough, but current success is now estimated at from anywhere from two years to indefinite. Concern has been expressed whether AID should persist in this area of basic research which takes approximately $10.0 million annually from the ST/H budget. Supporting termination would be (1) AID's lack of USDH scientific personnel capable of managing basic research in malaria vaccine, (2) indefinite time frame, (3) indefinite funding required. Supporting continuation would be the (1) huge investment in terms of time, money and expertise already provided, (2) possible nearness of success, (3) scourge that malaria is in terms not only of human health and suffering, but in terms of hampered economic development and (4) lack of predominant interest in the problem by other health research agencies. The team does not have the expertise to make a firm recommendation, but concludes that malaria vaccine research needs periodic (annual?) intensive progress review which maximizes cooperative interaction with all USG and donor entities involved in malaria vaccine research.

4. The research program is the product of extensive interaction with U.S. and international experts in the fields in which AID is involved, as well as of internal AID policy and programmatic strategies. ST/H has sought and obtained guidance for its research agenda from technical advisory groups which it has sponsored or in which it participates, including the following:

- NIH, Expanded Biomedical Research Opportunities in Developing countries. An External advisory Panel recommended approaches AID should take with respect to ARI, diarrheal diseases parasitic diseases, and viral diseases. 12/82

- NAS (BOSTID), Establishing Priorities for New Vaccine Development. 1982

- AID, Malaria Strategy Workshop. External experts encouraged AID to continue investing in vaccine research. 1983

- WHO, Advisory Committee on Medical Research (ACMR). Recommended health research strategy for supporting Health for All by the Year 2000. 1985

- NIH (Institute of Medicine), New Vaccine Development Priorities. 1986

- BOSTID, U.S. Capacity to Address Tropical Problems. 1986

- Global Task Force on Child Survival. 1985

- WHO, Advisory Groups on Diarrheal Disease Control Program and EPI Program. Ongoing

In addition to periodic guidance from the external advisory groups cited above, the Office receives feedback from AID's Research Advisory Committee (RAC) composed of about 20 outside experts representing universities and private industry. Its Panel on AID's Health Research Strategy met in October 1986 and again in September 1987 to review the overall research program. The conclusion of the second review was that "...AID's health research program appears to be a vigorous and productive one, whose principal resources are directed toward important issues."

In fact the Panel identified only one project which it felt was of marginal value - Pediatric Chronic Diarrheal Disease (5940)- not because of the subject itself but because it was devoted to basic research at a single U.S. institution with little experience with developing country problems. This project was included in the Office's research program as a result of Congressional interest.

The Team concurs with the RAC's overall assessment and found that the research program is closely linked to the ST/H "field support" projects and Mission health programs as well. Indeed, we found that AID's field operations (Missions), technical support (Regional Bureau and ST/H), and research (ST/H) programs are focussed on the same set of priority health problems characterized, for the most part, as child survival, with increasing concentration on diarrheal and immunizable diseases which impact primarily on infant and young child mortality.

5. <u>The research portfolio consumes approximately 55% of the total Office budget, excluding AIDS funds.</u> The RAC urged that more funds be devoted to the ST/H research program, if available. However, the Team feels that, given ST/H's other important task of mission support, the current proportion of ST/H funds devoted to research should not be increased.

One way to minimize this potential conflict is for ST/H to design research projects which can collaborate with planned or ongoing research programs supported by Mission projects, thereby reducing the need for central funds to set up parallel research projects. One team member cannot determine whether or not the current proportion of funds devoted to research in ST/H should be decreased. This distribution should be a function of the nature of the problem, the role of A.I.D. can play in the larger arena of health science, and the extent to which A.I.D.'s imvolvement focuses attention on a research agenda particularly important to the LDCs. A.I.D.'s approach to research should be integrated and involve both mission and central capabilities. Where USAIDs are able to convince recipients of bilateral assistance to participate financially in these research efforts, the overall effort is strengthened. There will be occasions, however, where S&T may have to bear the largest share of overall research funding. This does not alleviate the need for research coordination which must be improved to ensure maximum return for the dollar. In addition mission operational projects can provide vehicles for ST/H to add research components. We understand that the PRICOR project does this now. The Office should make a careful survey of Mission-funded research and operational activities to identify suitable candidates.

6. The eleven ST/H research projects are managed by one GS career AID officer, one US Public Health Service officer on loan from CDC, and two Interdepartmental Paricipating Agency (IPA) experts on loan from Johns Hopkins University and State of Maryland. The Office Director, RAC and this Team agree that the research program management and staffing is a major problem confronting the Office.

Problems include excessive workload for the Cognizant Technical Officers (CTO) as the project officers are called, who all have additional duties as well, unfamiliarity with AID procedures, system and field programs (PHS and IPA), lack of clerical assistance, and frequent turnover of CTOs. Despite agreement on the nature and severity of the problem, the Office, RAC and Team each offers different solutions. As part of a general reorganization plan, the Bureau proposes to create a separate Research Office which would have the effect of giving greater stature to that function and obtain additional CTO positions (AID and/or PHS) for technical experts. In contrast, the RAC recommends that ST/H delegate much of the research project management responsibility to U.S. universities. The Team agrees with neither position and proposes instead that the Office assign AID career health officers (FS and GS) as project officers to manage the research projects, as it now does for the field support projects, and retain non-career technical experts to serve as resident staff advisors for the principal

subject areas (diarrheal disease, immunizations and malaria). The latter would assist with all Office projects in their respective fields. This issue is discussed more fully in Section III.

B. FIELD SUPPORT

1. Performance

a. The field support project portfolio is tightly focussed on the Agency's child survival priorities. The projects which provide services directly to the field are organized "categorically" or "vertically". Each of the following projects is devoted to one functional problem or intervention: WASH - water & sanitation, HEALTHCOM - communications, PRITECH - ORT, SUPPORT - ORS, , VBC - vector borne diseases, and AIDSTECH - AIDS. One project, REACH, addresses two subjects, immunization and health care financing. Each is implemented by a prime contractor and various sub-contractors. (See Table 1).

The rest of the field support projects provide a variety of services, or people to missions, ST/H or other entities (e.g. Peace Corps) to help them pursue AID's child survival and AIDS initiatives, for the most part. Projects which do not fit that description are Asia-Pacific Public Health Management, Development of International Linkages in Medical Education with African and Caribbean Countries (Morehouse College), Milwaukee International Health Training Center, and MEDEX. Those four were all initiated by the Office in response to strong Congressional support and all are scheduled to terminate in 1988 or 1989.

b. Field support project performance has been very good. Regional bureau and mission representatives give high marks to the technical performance of the consultants provided through the ST/H field support projects. What criticism there has been has centered almost exclusively on issues of planning and arranging the services, and is directed at both the ST/H office as well as the contractor. But, that criticism is remarkably infrequent and mild considering the large number of assignments performed, often under difficult circumstances. No comprehensive record exists covering all of the projects, but from a cursory review of reports, analysis of field cabled comments and the Team interviews, it is apparent that the field support projects have played a major role in planning, designing and supporting implementation of a large number of mission health projects. In fact, they have been associated in some way with almost all of the current mission projects.

c. Field support projects are diverse in their objectives and types of services provided. Some are pro-active whereas others are reactive, by design. Some provide long-term and short-term services, whereas others provide only one or the other. Some include a "research" or technology development component and others do not. Although they all collect technical information related to their subjects, only some are expected to actively disseminate it. Table 2 below illustrates this diversity in matrix form.

As a rule, the "proactive" projects are those which were initiated to promote priority child survival interventions, encourage missions to include them in bilateral projects, and provide long-term technical services in some countries to accomplish that end, if necessary. PRITECH, REACH and HEALTHCOM fit that description. Reactive projects provide short-term services for important but lower priority interventions which are prominent in many missions' health portfolios. WASH and VBC fit that description.

Although complaints from missions and regional bureaus are relatively few, they relate almost exclusively to the more pro-active projects. Problems seem to arise over selection of "emphasis countries" for long-term work, inability to respond because of excess demand and lack of funds, difficulty in identifying consultants in certain fields (health care financing), and short turn-around time given by missions.

d. Agency initiatives in AIDS appear to be proceeding coherently and expeditiously.

AIDS as health problem confronting A.I.D. burst into life in FY 86 with an initial funding of $2 million. Subsequently in FY 87 A.I.D. committed $17 million to the AIDS programs. In FY 88 Congress earmarked $30 million to continue AIDS prevention and control programs. ST/H's responses was to create the AIDS Technical Support Project (936-5972) which has two principal components AIDSTECH and AIDSCOM. Both components are designed to complement WHO activities and to assist LDC governments to set up AIDS detection, control and prevention programs. Field support is emphasized over research.

AIDS activities are coordinated through the AIDS Working Group which meets weekly and involves both S&T offices and regional bureaus. Management of AIDSTECH resides in S&T Health, while AIDSCOM management has been conferred on S&T Education.

A.I.D.'s creation of an S&T project and the establishment of the Working Group have probably been the quickest possible response to provide field support for this new health crisis.

However, use of the working group coordinating concept needs to be monitored to assure it is discontinued as soon as AIDS activities have become incorporated into normal implementation procedures.

e. The Office does not offer a field support project/contractor for health services planning and management generally, although that was the main emphasis of its program prior to 1980. Persons interviewed in ST/H and the regional bureaus feel generally that most planning and management requirements are met through the existing projects in the context of strenghening health systems to accomplish concrete intervention-specific objectives. In addition, PRICOR is analyzing these issues through its operations research work and the Office makes available services of three Indefinite Quantity Contractors (IQC) for health planning and delivery systems consultant services. Furthermore, missions frequently provide overall planning and management technical assistance through their bilateral project contractors. The Team concludes that those needs are being met satisfactorily through present mechanisms.

f. AID health sector technical services have become highly concentrated in the ST/H project contractors. The Team noted that most of this work is now performed by consultants from the five principal ST/H contractors and inquired about its consequences. We found that performance has probably improved as firms have specialized in certain fields and response capability is good. Furthermore, the contractors have used numerous experts from many suppliers through extensive sub-contract networks to do the work, thereby spreading the work around and expanding the networks of experienced consultant technicians. The growing use of contract "buy-in" arrangements has greatly facilitated mission use of the central projects and has contributed to this apparent concentration. (See Section B.2.b below) Missions appear to be using IQCs relatively infrequently, probably because the buy-in mechanism is so attractive. The Team concludes that the apparent concentration is the consequence of successful performance and has actually strengthened the sector.

g. Mission demand for field support services has been strong. Field demand for the direct service projects has exceeded initial expectations and has prompted early start-up of follow-on projects in the cases of PRITECH and WASH II. REACH and HEALTHCOM also expect to reach their funding limits ahead of schedule. In general, ST/H funds have covered 50% to 70% of the services during FY 1987 and FY 1988 and mission and regional bureau "buy-ins" paid for the rest, a clear indicator of field demand. For the field support portfolio as a whole buy-ins paid for 16%, 15% and 29% of the services provided in

FY85, FY86 and FY87 respectively. Bureau management places great importance on buy-ins as an indicator of the value missions and regional bureaus place on ST/H services. The Team agrees that it is valid as a rough indicator, but cautions that while buy-ins serve the missions' interest in obtaining quality expertise, they also respond to missions' needs for convenience and the avoidance of delays which would be occasioned by new competition for services.

The volume and purpose of field travel by ST/H staff is another useful indicator of field demand for ST/H field support services. Of an Office total of 691 TDY days in FY 87, 297 days (43%) represented direct support to mission projects,and missions paid 52% of the TDY costs of that portion. That positive indicator of mission support for ST/H staff travel is corroborated by complaints expressed by eight missions by cable to the Management Assessment Team that ST/H field support division staff do not visit them enough. They attribute the problem to a perceived shortage of Operating Expense travel budget.

Based on these two indicators (buy-ins and travel), the Team concludes that mission demand for ST/H field support services from both contractors and staff is strong. Missions are willing to use their own OYB and OE budget funds to get it.

2. ST/H Relationships with Regional Bureaus

a. Good working relationships exist, despite occasional conflicts.

The Office takes great pride in its "field support" project portfolio, and cites as evidence that it is rightly focussed and well managed the heavy demand for services and high "buy-in" levels attained. The Team agrees that the projects are providing a very valuable service to Missions and regional bureaus and that ST/H has done an excellent job in developing and managing the projects. Regional bureaus and Missions find the projects to be very convenient and effective sources of technical services. Therefore, although ST/H is utilizing a surprisingly high percentage of total A.I.D. health and child survival funds, (24% in FY89) there have been no complaints from missions or regional bureaus. (However, as ST/H's proactive efforts bear fruit and missions increase their bilateral health/child survival projects, competition for funding may emerge. In such event, we would expect ST/H's share to decline to a more typical percentage.) Despite this excellent performance, regional bureaus express some dissatisfaction with the way in which ST/H plans and carries out the "field support" function. They cite instances where

they perceive that ST/H actually pursues its own "agenda" in the name of offering field support and services. The Team identified a number of such instances and looked into the reasons for conflict.

In reality, "field support" misrepresents the nature of some of the projects and does not accurately reflect the basic policy of the SAA and previous Administrator. Their common objective for ST/H, as stated frequently in writing and verbally, has been to guide and direct regional bureaus and missions into certain specific programmatic and technical areas, most notably two of the "engines" of Child Survival - oral rehydration and immunizations. Consequently, ST/H "field support" projects providing those services were clearly designed to promote those Agency priorities in the field, and not just to respond to mission requests for support to their programs.

Although the field and Administrator's objectives have not really been at variance, numerous occasions for interpretation and adaptation arise in order to meet needs of many national programs around the world. In effect, the technical services contractors have been used, in part, to implement or reinforce the application of Agency policies where the normal Agency actors have not been adequately responsive. The most dramatic example of this is the Agency's attempt to introduce Oral Rehydration Therapy programs in Africa. In response to the Africa Bureau's inability to assign health officers to their missions and initiate mission health projects which could incorporate ORT interventions, the PRITECH project was designed to initiate long-term ORT programs in Africa, operationally independent of missions if necessary.

The fact is that while policy is made centrally, policy implementation is decentralized. Where these are not consistent, an ST/H project which is implementing central A.I.D. policy may well generate regional bureau dissatisfaction.

b. <u>Concentration of technical support suppliers in ST/H has given its contractors substantial influence over A.I.D.health policies and field programs.</u>

As a result of ST/H's successful performance in anticipating and /or responding rapidly to field demand for technical services (or to Agency directive to promote services) the vast majority of short-term technical assistance, and a growing proportion of long-term services as well, is provided from ST/H contractors - PRITECH, REACH, HEALTHCOM, WASH, VBC. IQCs, which represent alternative sources of expertise, are much less widely used now because it is more convenient to use the ST/H suppliers. Figures for FY 85 showed 43 work orders for $1.8 million, FY 86 showed 38 work orders for $2.1 million, while FY

87 dropped substantially to 17 work orders for $0.7 million. Furthermore, regional bureaus are discouraged from establishing their own contract suppliers because ST/H can meet most of their needs more efficiently, given the increasingly liberal "buy-in" provisions.

The concentration described above may be necessary and appropriate to accomplish Agency ~~(and Congressional)~~ policy objectives. But, it changes the relative power and roles of the Bureaus, and has also fiven substantial influence over A.I.D.-wide health program policies to the ST/H contractors themselves. The team heard of instances where those contractors interpreted technical guidelines to Mission staffs and host country counterparts who were not in a position to judge the validity of the interpretations. The contractors appear to be handling their responsibilities well, being sensitive about overstepping their mandates. In fact, several requested that their ST/H CTO's spend more time with them in order to ensure close coordination. However, ST/H should make sure that their contractors implement Agency directives and guard against any inadvertent abuse of their growing influence.

should not be different "buy law"

C. Technical Coordination

1. Health Sector Council and Agency Directorate

a. Background

Prior to 1981 health officers of the Development Support Bureau and regional bureaus met periodically on an informal basis to discuss technical and programmatic subjects of mutual interest. In 1981 this coordination function was formalized by the Administrator through the formation of a Health Sector Council, chaired by the new Agency Director for Health and Population. The Agency Directorate and Sector Council were to provide a mechanism for the accomplishment of the Agency-wide role in health which the Administrator wished the Bureau to play. The Sector Council was to provide the Agency Director a regular means for exercising his Agency-wide role, in collaboration with the senior technical specialists of the regional bureaus, PPC and external contacts.

A number of A.I.D. officers believe that the Agency Directors have been playing a much larger internal Bureau role than was initially contemplated for them, while the Sector Councils have dealt mostly with S&T Bureau business; that most of the issues considered in the Sector Councils have presented the opportunity for the regional bureau technical representatives to comment on Science and Technology Bureau programs, but have not served as an opportunity for consideration of issues presented by regional bureaus.

In September 1987 the ST/H office sought regional bureau feedback on its performance in meeting its Agency-wide and field support responsibilities. Several persons interviewed said that the Office did not take the Sector Council mechanism seriously enough and maximize its potential for achieving cross-fertilization and coordination of Agency health programs. They pointed out that the Child Survival and AIDS Task Forces were doing a better job. They added that the Agency Director (also Health Office Director) was not using the Sector Council mechanism to carry out his Agency-wide role.

b. Team Findings

Based on interviews and review of minutes of Council meetings, the Team found that the Council mechanism has been used during the past year, at least, to obtain regional bureau feedback and concurrence on Office projects and activities, review substantive topics of general interest,and to discuss Agency-wide policy issues concerning primarily the Child Survival initiative. Regional bureau representatives feel that the Council meetings have served to improve coordination and communication between them and ST/H, but has not been as effective as it could be. They complained that meetings have not been held regularly each month, but scheduled to meet the needs and convenience of ST/H. While the meetings were irregular, seven meetings were held during 1987.

The Team was advised that the function of the Health Sector Council was complicated, and somewhat compromised, by the work of the Child Survival Task Force which met periodically during the past several years to coordinate the Child Survival Initiative. Those meetings, chaired by the Deputy Assistant Administrator of the Science & Technology Bureau, covered much of the ground that the Sector Council would normally have discussed in the absence of the Task Force and, in the view of the Office Director, reduced the need for frequent Council meetings.

Regional Bureau representatives also complained that ST/H sometimes brings subjects to Council meetings on which they seek regional bureau concurrence, without having given the regional bureau people adequate time to study related material and reflect on it. The regional bureau people suspect that ST/H tries to extract concurrence to ST/H's proposals and impose its will unfairly, in the name of urgency and AID priorities. Although ST/H claims that they do not intend to act in a directive manner, and that they want to work collaboratively with regional bureaus, the experience as perceived by some regional bureau representatives is otherwise. On the other hand, the Office Director requested, at the April 23, 1987 meeting, that regional bureau

representatives propose agenda topics for discussion at subsequent meetings. Based on the Team review of Council meeting minutes, it must be concluded that the regional bureau representatives have not done so.

The original conception of an Agency Director was one which suggested a great deal of Agency representation and coordination at international and domestic scientific fora and a nominal amount of internal Bureau and Office management. The Office Director was expected to attend to the internal workings of the Office. In the case of the Agency Directorate and Office of Health, which are identical and headed by the same person, the separate roles of Agency Director and Office Director have become indistinguishable.

c. Conclusions

The Team concludes that the Council has played a valuable role in increasing coordination and communication between the health sector technicians in ST/H and regional bureaus, and provided a formal mechanism for obtaining feedback on ST/H projects. But it is not meeting the Administrator's original expectations that it would provide the mechanism for the Health Agency Director to exercise his "Agency-wide" leadership role. We note that the Agency Directorate is not functioning as originally contemplated and feel that that role is probably not realistic given AID's decentralized management structure. But, the Council is serving a very useful communication function. We also observed an effort on ST/H's part to use the Council as a means to collaborate with the regional bureaus in meeting their common objectives, but with less than full success, as noted above. Regional bureau representatives have not taken initiative to make the Council meetings more useful to them by bringing topics to it for discussion or proposing changes in its structure or role.

The Council probably cannot be expected to be much more than it is at present because it is actually just one element in a spectrum of AID decision-making mechanisms - formal and informal. On the one hand considerable business is transacted daily between ST/H and regional bureaus on many subjects, including project-specific implementation, Agency-wide policy issues, personnel and ST/H new project development. Some of this represents preliminary work on subjects which are eventually dealt with formally at Council meetings. But, on the programmatic and resource allocation side, decisions are usually reserved as the prerogative of each bureau's top management, with involvement of their respective Program Offices.

2. Child Survival Task Force and AIDS Working Group

The task forces, while serving a very useful purpose, intrude on ST/H's relations with the regional bureaus. The Child Survival Task Force was set up in 1985 with the advent of the Child Survival Initiative to coordinate its implementation within AID and interact closely with the Congress and international agencies. One of the S&T Bureau Deputy Assistant Administrators was appointed Chairman. Regional bureau and S&T Bureau persons interviewed agree that the Task Force was instrumental in making the C.S. Initiative work as well as it has. However, they also agree that it causes confusion about leadership of the program, which appears to many to be split between the DAA/ST and Agency Director (Office Director) for Health. Furthermore the respective functions of Task Force meetings and Health Sector Council meetings with respect to child survival subjects is unclear. Some observers feel strongly that the Task Force intervenes too much in the operations of the Health Office. Its original mandate was to "...coordinate and monitor implementation of the health and nutrition projects funded by our additional Health and Nutrition funds." It subsequently broadened its mandate to take on a leadership role in successfully creating an Agency-wide emphasis on child survival.

The Chairman advised the Administrator on February 19, 1988 that the Task Force's development work was largely complete and that its principal concerns during 1988 will be implementation and continuing Congressional interests. He advised the Team that the Task Force had accomplished its principal objectives. In view of that, and the evidence of management and communication problems currently associated with it, which impinge upon ST/H's relations with the regional bureaus, the Team concludes that the Task Force should be disbanded now. The mechanisms required to sustain the Initiative are in place and the Health Office, in collaboration with the regional bureaus and PPC, is capable of coordinating its implementation. Surely the Task Force's remaining task of handling "continuing Congressional interests" can be handled by ST/H in cooperation with PPC and LEG.

The new AIDS Working Group is also doing a commendable job under great pressure. In light of the experience of the Child Survival Task Force, the Team concludes that a target date should be established for termination of the AIDS Working Group. Only if mechanisms are not in place and programs are not operating routinely at that time, should it be extended.

3. Child Survival Information System

The Health Office is providing a valuable coordination function for the Agency through its Health Information System Project. The system is operated by a contractor as part of the CSAP-Support Project (936-5951). The contract was initiated in early 1984 to develop a data bank of information about USAID Child Survival and other health projects, compile relevant statistics on USAID countries and assist the ST/H Office with various analytic tasks. An evaluation conducted during December 1987 found that the data have been used for tracking progress of USAID-funded health and child survival projects and for planning and monitoring A.I.D.'s health programs worldwide. Furthermore, the system (HIS) has provided all the data for the annual Child Survival Reports to Congress. It is being used by the regional bureaus for their own program monitoring and planning purposes, and increasingly by outside agencies, including the United Nations Water and Sanitation System.

4. Technical and Policy Coordination with External Organizations

Office staff participate actively in technical and policy fora with external groups. On the technical side, the Office Director and a large number of cognizant technical officers (project managers) attend meetings with international and U.S groups to discuss issues related to their projects, including coordination of similar efforts conducted by others. Approximately half of the Office travel in 1987 was for that purpose, in contrast to project implementation purposes per se. The Office maintains close contact with the World Health Organization, National Institutes for Health and Centers for Disease Control units of the U.S. Health and Human Services Department, and universities with which it collaborates on a number of activities.

On policy and programmatic issues the Office participates heavily, directly and indirectly, in communications with Congress about A.I.D.'s health and child survival program. We were told that Office staff prepare numerous documents used in communication with Congress, and sometimes participate directly in such communications. This function appears to place a heavy burden on the staff, taking time away from their project and office management responsibilities. The Team noted that the PPC Bureau had handled a large share of this responsibility in previous years, before its staff was reduced.

III. Management Issues

A. Staffing

1. Number of Office's authorized positions is inadequate.

S&T Health is staffed with a bewildering variety of kinds of employees. There are no fewer than 14 categories of employees including full and part-time personnel. (See table 2) Some of these employees can function as full cognizant technical officers (CTO's), others can't. Some are long term, others may be gone on a moment's notice. The Team counts 38 employees, excluding two experts working on a "when available" basis (WAE). This figure can be rendered obsolete at any time.

In terms of perspective, a comparative set of figures is instructive. In FY 1985, ST/H had 16 FTE (full-time employee) ceilings. There were, then as now, assorted other personnel. ST/H's share of the S&T Bureau's FTE ceilings was 7.4%. The FY 85 funds assigned to ST/H for management (prior to the Child Survival build-up) constituted 9.8% of all S&T funds. From this perspective the ST/H office had reasonable numbers of staff to match resources assigned. By FY 1988 (current) the FTE allocation to ST/H had increased 25% to 20 ceilings (though all are not currently filled) constituting 10.6% of all S&T ceilings. The funding resources conferred on ST/H to manage have increased by 335% and now constitute 24.9% of all S&T funds. While these comparisons are necessarily gross, discounting the reality that some funds are merely "passed through" to WHO, there is little doubt that the ST/H office is being made responsible for more funds without commensurate increase in staff. Hence, the proliferation of ad hoc solutions, some quite innovative, to bring in additional people not subject to ceilings.

Aren't absolute $ a better indicator of manpower needs than a % of S&T budget

2. CTO workload is heavy.

To address the workload, ST/H assigns a Cognizant Technical Officer (CTO) for each project (and, on occasion, subproject, see table 3). To cover the 29 existing projects in FY 1987, S&T identified 18 CTO's who each managed from 1 to 3 projects. While, on the face of it, this project workload may not appear excessive, effective performance depends heavily on such variables as: the nature of the project, the quality of the contractor, the number of subprojects, the number of buy-ins, the CTO's own A.I.D. implementation experience, the amount of travel funding available, etc. Furthermore, many CTO's have significant work requirements in interacting with US and international scientific bodies, participating in regional bureau activities, and, as the Agency's last repository of information on health, responding to ad hoc requests from Congress and the public.

Of specific interest in terms of CTOs is the unusually heavy research portfolios carried by the research staff, 3/4's of whom have only limited A.I.D. implementation experience. This heavy workload reduces the ability of these technical specialists to interact technically with operations research or field support type activities, whether in S&T or in the field.

3. CTO's do not travel to the field enough.

As noted in Sec. II.B.1 above, ST/H staff travel is a chronic complaint. Field missions repeatedly urged ST/H officers to visit and to provide technical advice to projects in the mission's own portfolio. The team was advised that (a) travel funds were inadequate and (b) staff time available for travel was limited. In terms of funding resources, it may be necessary for S&T management to re-examine priorities relating travel funding to project management responsibilities. Also of note, in FY 1987, ST/H officers traveling in support of mission activities had 299 days of TDY spread among 11 officers. This works out to one 3 week trip per year per active officer, a fairly nominal figure. Much greater mission support could be provided by either increasing the number of officers providing field support and/or increasing the numbers of TDY days in the field per officer, or both.

4. CTO's and Office management face potential accountability problems.

In terms of accountability, each CTO is expected (required?) to be knowledgeable about project progress and expenses. Travel to project sites is certainly essential to assure that minimal financial responsibility is maintained. While A.I.D. vulnerability assessments are not necessarily impeccable indicators of potential fiscal mismanagement, it should be noted that in the last vulnerability assessment (July 1985) ST/H was rated as a moderate risk (2nd highest category) at a time when it had yet to assume significant increases in funding from Child Survival and AIDs earmarks. The team was informed that a vulnerability assessment (now called an internal control risk assessment) was currently being undertaken since June 1987 but had not yet been completed.

5. Non-career technical experts should not serve as project officers (cognizant technical officers).

ST/H has followed a policy of recruiting highly qualified and experienced technical specialists to serve as CTOs for the projects in its research portfolio. This is seen as a means of strengthening the Bureau's, and AID's technical capabilities and helping to make it a leader in certain technical fields. Because AID has very few such biomedical technical specialists

among its career ranks ST/H has brought in many people from outside for short term assignments - usually two years. It has been very successful in attracting qualified persons from the U.S. Public Health Service, universities (IPAs, AAAS Fellows, CS Fellows) and state government (IPA). At the present time ST/H employs 11 such persons who are formally, or informally, in charge of 12 projects, representing 82% of the research portfolio and 41% of the total portfolio.

Based on its interviews with AID staff and ST/H contractors, the Team identified a number of problems associated with the Office's heavy reliance on the non-career technicians for project management responsibilities.

a. They do not know the "AID system" and it takes a year or more to really do so. By the time they are really part of the system and working effectively within it they depart.

b. More time must be devoted to management/ administrative aspects of the projects than to the truly technical aspects for which they were hired. This is compounded by the fact that the Office provides technical staff with very little administrative/clerical support.

c. The practice may contribute to the poor communication and technical interface between the research projects' staff and field service projects' staff, who are career AID health generalists for the most part. The research portfolio does not appear to be feeding into the "field service" portfolio from within the Office. Research findings are more likely to enrich field service projects through networks external to the Office.

Conclusion: The Team concludes that all ST/H projects should be managed by AID career officers, with appropriate inclusion of FS officers. We feel that many FS Health Officers with field experience would do the job admirably, and would appreciate opportunities to work closely with some of the most exciting applied health research work being done in the world. But, they could not do the whole job alone. A small number of highly qualified experts, such as have been used to date, should be assigned by ST/H to serve as technical advisors to all of the Office projects in their respective fields. For example, a diarrheal disease expert should "backstop" the ICDDR-B, ADDR, and WHO research projects and the PRITECH, SUPPORT projects, and advise on ad hoc matters that arise periodically. That arrangement would maximize their technical contributions to the entire portfolio, and strengthen the field and "AID system" synchronization of the research portfolio. This arrangement would probably require additional FTE positions for the Office, but reduce its dependence on temporary, above ceiling employees to run its complex program.

B. Office Structure

1. Office structure does not facilitate effective program coordination.

The present office organization structure places excessive burden on the Health Services Division to a) design and manage the highest priority field support projects (PRITECH, REACH, HEALTHCOM, PATH and PRICOR), b) maintain liaison with all mission programs, and c) perform ad hoc duties for the Office, such as organize ICORT III. By contrast, the Vector and Water Borne Disease Division is responsible for two projects (WASH and VBC) which are completely field support in nature, and yet they are not managed as part of the Health Services Division. The other major project in the Vector and Water Borne Disease Division(Malaria Vaccine Research) is very complex and should be part of a research management unit.

The Epidemiological Research Group, popularly referred to as the Research Division, manages several projects closely related to the principal child survival interventions pursued by the Health Services Division, but with very little communication between them. Finally, the Child Survival Coordination unit, which has played a useful role helping the Office handle the many special requirements of the Child Survival Initiative, now overlaps some of the functions of the Health Services Division and is also managing some projects as well. It should be integrated into the regular Office structure when the Child Survival Task Force is disbanded, as recommended above.

2. The Office should be reorganized, joining all field service projects and field liaison functions together and placing all biomedical research activities together.

The Office of ST/H has been considering a reorganization for as long as 18 months. The Bureau plan for the reorganization of the Directorate of Health involves the creation of two Offices within the Directorate of Health, one for Reasearch and one for Field Support. Within each Office would be two or three Divisions (as appropriate). (The Divisions would not, as of the present, have sufficient staffing to justify their receiving that name classification.) Each Office would have a Director at the SES level. While the Directorate has been allocated four (4) additional FTE ceiling, two of these ceilings would be utilized by creating the Office Director positions. The remaining two FTE ceilings are expected to be used for an additional CTO and an additional secretary.

Bureau management should make sure that reorganization will alleviate current problems of overloaded project officers (CTOs) and poor internal coordination between units.

Unfortunately, the plan currently proposed by the Bureau would, in the Team's opinion, exacerbate rather than alleviate, those problems. Although that plan correctly places research in one unit and services in another, it separates them organizationally even more than now by elevating each to Office status. We feel that could inhibit interdepartmental communications even more and probably hurt prospects for recruiting AID career health officers to manage research projects as recommended above.

The addition of two high-level managers to serve as office directors represents another serious flaw in the Bureau's plan. Any new staff provided to this Office (Directorate) must serve as project officers (CTOs) to ease the current serious overload. Many persons interviewed by the Team (staff, contractors, international agency officers) expressed serious concern about the situation, and most field criticisms of the Office reflect the same problem. The Team feels that CTOs are already unable to stay as close to their respective projects and contractors as they should in order to discharge their project officer responsibilities properly. In fact, the Team urges that no new projects be started which would place additional management burden on CTOs and that the Office actually reduce substantially the number of management units or activities for which it is responsible.

The Team feels that creation of two health Offices might generate even greater claims for scarce funds and staff, which, given the high percentage of Agency health funds already controlled by ST/H, and the possible and desirable increase in mission bilateral programs competing for these funds, would be a most unfortunate outcome.

Since 1985 the Agency has placed a very heavy management and technical burden on the Health Office without providing a commensurate increase of appropriate staff. The Office staff themselves have contributed to the problem by continuing to propose additional projects, albeit useful field support resources (Maternal & Prenatal Care, Health Care Financing, Epidemiological services). As noted below, the Office is in a precarious situation in terms of carrying out its project management responsibilities. It is in danger of letting success get out of control. Consequently, Agency management must take a hard look at what it wants from the Office, its role vis-a-vis regional bureaus, and either increase its staff and operating expense budget or cut back its program to match the staff available.

C. PROJECT IDENTIFICATION, DESIGN & APPROVAL PROCESS

Ideas for new projects seem to emerge from a variety of sources, including informal staff brainstorming, perceived demand from the field, discussion with regional bureau and mission staff, political/management priorities, outside experts, etc. This appears to be a normal and healthy process which encourages creative thinking from a number of sources. But,the project design steps which follow initial identification of project ideas are equally important. A rigorous design process is required to keep the portfolio focussed on priorities and to produce projects which are relevant and implementable.

The S&T Bureau has a formal project design procedure which includes preparation of a Concept Paper, PID and Project Paper. Concept papers are reviewed by the Senior Assistant Administrator. If approved, a project team is to be formed, including a member of ST/PO (Program Office), members of ST/H, and sometimes representatives of other S&T offices, regional bureaus, General Counsel and Contracts Management. A PID is prepared for SAA approval, unless he had waived PID preparation at the Concept Paper stage. That is often done for follow-on projects but rarely for new projects. Regional bureau representatives are consulted early in the process and cables are sent to missions soliciting their views and expressions of potential demand for proposed project services, including estimated "buy-ins". Regional bureau inputs and concurrence are sought for the Concept Papers, PIDS and PPs.

In practice, PIDs and Project Papers have been prepared for all the recent "field support" projects, but for only some of the research projects. Of the current ST/H total project portfolio of 32 projects of which 6 were unsolicited proposals, PPs were prepared for 14. ST/PO involvement has been minimal and, although regional bureau people have been consulted throughout the process, they have not participated as full team members.

Issues:

a. ST/H does not prepare Project Papers for all projects. Because the Agency has found the project paper preparation and review process to be a useful way to assure that all pertinent issues are addressed, it seems appropriate for ST/H to follow that process for all of its projects. Content and emphases of project papers can be modified to meet the needs of particular types of projects.

b. The S&T Bureau reviews and approves project documents (Concept Papers, PIDs, PPs) seriatum rather than in a common meeting format. Regional bureaus have found that the meeting format for project review and approval purposes is useful because it generates discussion of alternatives and critical assessment of the proposals. Meetings permit representatives of interested offices and bureaus to participate in the decision-making process on an equal basis with the project proponents. The process also serves to inform interested offices about the projects. In view of regional bureau comments to the Team about lack of opportunity to participate in ST/H project design process, it would be prudent for ST/H to hold project review and approval meetings where all parties could express, and share, their views together. Sector Council meetings are not appropriate for this function because Council membership does not include all of the appropriate skills required for project review. Furthermore, Council meetings are intended for collegial discussions of technical subjects, and formal review of project proposals should raise additional programmatic and funding issues which transcend the Council members areas of concern and/or expertise.

c. ST/H does not include regional bureau representatives on project design teams. Although regional bureau representatives are consulted on some project designs, especially "field support" projects, they are not brought into the design process as formal participants. Now that many ST/H projects are essentially USAID service projects, and the distinction between "central" and "regional" projects is blurred, regional bureau staff should participate actively in the design of many ST/H projects. It is not enough for ST/H to consult with regional bureaus about the design of their (ST/H) projects. Instead, the projects should be regarded as joint projects and regional bureau staff should be full partners in their conceptualization, design, implementation and evaluation. Differences of emphasis and technical content should be resolved collaboratively through the design process. In fact, regional bureaus have consciously refrained from establishing regional technical support contracts through their own projects because ST/H already has a project contractor in place to meet their needs. ST/H has encouraged regional bureaus to rely on their service projects in lieu of starting their own. The WASH, VBC, PRITECH, REACH, HEALTHCOM projects are cases in point.

d. Project Development Officers (PDOs) do not participate in design of ST/H projects. In fact, the S&T Bureau does not have any PDOs. The Program Office is expected to play that role but it is understaffed and inexperienced in project design. ST/H has several CTOs with project design experience but they do not play an Office-wide role. Ideally, S&T could create a PD

capability to serve bureau-wide, but in any event, should create a mechanism which will take advantage of the rigorous project design and review system which is extant in the regional bureaus. The Office should ensure that all of its CTOs take the A.I.D. Project Design and Implementation course (if they have not already done so) to increase their understanding of the issues involved.

TABLE 1

S & T HEALTH PORTFOLIO

RESEARCH		START	END	LIFE OF PROJECT AUTH	OBLIG THRU FY87	MANAGER		CONTRACTOR	ANNUAL OYB 87	88	89
Malaria	931-0453	75	89	89,000	75,112	Heiby	(GS)	Various	9.9	8.5	8.5
TDR	931-1126	78	90	40,300	32,300	Shiff	(IPA)	WHO	2.5	2.5	2.5
DDRP	936-5928	84	88	18,025	14,025	Lin	(IPA)	ICDDR-B	3.4	2.6	3.0
PED.CHR.DDRT	936-5940	84	87	3,298	3,000	Lin	(IPA)	Buffalo	0.5	-	-
Vaccine	936-5947	84	88	7,430	6,000	Bender	(FHS)	HHS/DIH (Curlin)	0.8	1.0	0.5 (CS) 0.4
ADDR	936-5952	85	9/90	12,500	12,500	Lin	(IPA)	HIID	1.2	1.7	1.5
Americares	936-5957	85	9/90	800	800	Shiff	(IPA)	Americares Found.	-	-	-
Field Support											
HEALTHCOM	931-1018	78	93	12,500	12,500	Clay	(GS)	AED	2.0 0.1	2.0	2.5 (CS)
PRICOR I, II	936-5920	81	90	19,553	19,553	Heiby	(GS)	CHS-URC	2.0	1.8	1.9
PRITECH	936-5927	83	88	44,700	40,000				4.0	2.1	2.0 (CS)
.1 PRITECH		83	88			Feinberg	(GS)	MSH	0.1		
.2 CDC		84	88			Feinberg	(GS)	CDC			
.3 REACH		85	90			Abramson	(GS)	JSI			
.4 HLTHFIN		86	88			Randlov	(FS)	WHO			
Hlth Resources Sources	936-5929	84	9/88			Ice	(GS)	DIH	0.6	0.9	0.7
MEDEX Support	936-5932	83	8/88	4,600	4,600	Feinberg	(GS)	Univ. of Hawaii	1.0	0.5	-
DIATECH	936-5935	85	9/90	11,000	10,000	Bender	(IPA)	PATH	- 2.0	- 2.0	1.0 (CS) 1.5
ORT-HELP	936-5939	84	12/91	7,300	7,300	Clay	(GS)	AHRT PRAGMA Peace Corps	- 1.0	- 0.8	0.9 (GS) -
WASH	936-5942	84	89	19,700	19,700	Austin	(GS)	CDM	2.4	1.5	0.5
VBC	936-5948	85	8/90	19,880	19,880	Shiff	(IPA)	Medical Services Co	1.6	1.5	1.8
Asia Pacific Public Health Management	936-5950	85	3/90	2,200	2,800	Heiby	(GS)	Univ. of Hawaii	-	-	-

CSAP Support	936-5951	85	90	7,000	3,750	Johnson	(GS)	AMA	0.3	-	-	FN
								ISTI	1.6	1.4	2.0	(CS)
								NCIH	1.3	-	-	
								Johns Hopkins	-	-	-	
Support	936-5953	85	12/91	2,973	1,973	Clay	(CS)	PATH	0.5	0.5	0.8	(CS)
Morehouse	936-5954	85	7/88	897	897	McJunkin	(CS)	Morehouse	-	-	-	
Milwaukee	936-5958	86	4/88	425	425	McJunkin	(CS)	Milwaukee	-	0.2	-	
DHS	936-3023	84	89	2,625	2,625	Johnson	(CS)	Westinghouse	-	0.1	0.1	(CS)
									0.5	0.4	0.4	
										15.0	15.0	AIDS
Sp. Pr. AIDS	936-5965	86	6/88	5,000	1,150	Harris	(PHS)	WHO	5.0	-	-	
Med. Fld. Trials	936-5967	87	9/92	5,000		Bender	(PHS)	Papua NG	2.0	2.0	2.0	
HEALTHTECH (LINK) II	936-5968	87	3/91	2,500		Johnson	(GS)	PATH	1.0	0.8	0.8	
									1.0	-	-	
PRITECH II	936-5969	87	92			Feinberg	(GS)	MSH w/AED, etc	2.9	3.0	3.5	(CS)
									-	-	-	
Tech. Adv. C.S. (PHS Details)	936-5970	87	93	2,000		Terry	(DHS)	OIH (PASA)	-	0.5	0.5	(CS)
									-	-	-	
										7.0	12.0	AIDS
AIDS TECH Support	936-5972	87	9/95			Harris	(AIDSTECH)	FHI	2.9	-	-	
						Sprague	(AIDSCOM)	AED				
							(GS)					
IOCs	936-1406	87	90			Pettigrew	(GS)	Various				
WASH III	936-5973	88				Austin	(GS)	TBD	-	1.0	2.5	
HLTH. FIN.	936-5974	89							-	-	0.6	
Maternal	936-5966	88	93			Tinker	(GS)	TBD		0.7	1.3	(CS)
									-	0.8	-	

S&T(H) - STAFFING

TABLE 2

CATEGORY		USDH GS	USDH FS	USDH PHS	"SURPLUS" "D"	"SURPLUS" AD	"SURPLUS" COMPLEMENT	OUTSIDE CEILING IPA	OUTSIDE CEILING PHS	OUTSIDE CEILING AAAS	OUTSIDE CEILING CS	TOTALS
Professional	FT	10	2	3	2	1	2	2	1	3	1	27
	PT	4	-	-								4
Support Staff	FT	4	-	-								4
	PT	3	-	-								3
Total		21	2	3	2	1	2	2	1	3	1	38

TABLE 3

S & T Health Cognizant Technical Officers (CTO)

FIELD SUPPORT

PROJECT	PROJECT NO.	TERMINATING	LIFE OF PROJECT (LOP $'000)
1. Lloyd Feinberg			
1. PRITECH I & II (ORT)			
I	936-5927.1		$44,700
II	936-5969		
2. MEDEX		'88	4,600
3. PASA with CDC	936-5967.2	'88	
2. Allen Randlov			
1. REACH - project mgt 1/2 time			
2. Maternal and Prenatal Health Project Dev - 1/2 time			
3. Health Financing	936-5927.4		
3. Susan Abramson			
1. REACH	936-5927.3		
4. Robert Clay			
1. Healthcom	931-1018.1		12,500
2. ORT-HELP	936-5939	84-91	7,300
3. Support	936-5953		2,973
5. John Austin			
1. WASH II	936-5942		19,700

6. Clive Shiff

1.	VBC	936-5948		19,880
2.	Americares	936-5957		800
3.	TDR	931-1126		40,300

7. Tom Bender

1.	Vaccine	936-5947		7,430
2.	Malaria Field	936-5967		5,000
3.	DiaTech	936-5935		11,000

8. Lin

1.	DDRP	936-5928		18,025
2.	ADDR	936-5952		12,500
3.	PED. CHR. DDRT	936-5940		3,298

9. Jim Heiby

1.	Malaria Vaccine	931-0453		89,000
2.	PRICOR II	936-5920		19,553
3.	Asia Pacific PH Management	936-5950	85-90	2,200

10. Pam Johnson

1.	CSAP - support	936-5951		7,000
2.	NCIH	936-0271		
3.	Demo & Health Surveys	936-3023		2,625

11. Eugene McJunkin

1.	Int. Linkages in Med Ed	936-5954	7/88	897
2.	Milwaukee IHTC	936-5958	4/88	425

12. Janet Ice

1.	Health & Human Svcs (RSSA)	936-5929	N-A Annual 200

13. Jeffrey Harris

1.	AIDS	936-5965	5,000
2.	AIDS TECH	936-5972	

14. V. Barbiero

1.	Healthtech	936-5968	2,500

15. J. Terry

1.	TACS PASA with OIH	936-5970	2,000

16. D. Sprague

1.	AIDSCOM	936-5972

G. Pettigrew

1.	IQCs	936-1406

18. Ann Tinker

1.	Maternal/Prenatal Health & Nut.	936-5966

MANAGEMENT ASSESSMENT

THE OFFICE OF HEALTH
BUREAU FOR SCIENCE AND TECHNOLOGY

APRIL 1988

Robert Pratt
James A. Graham
Irwin A. Levy
Richard N. Blue

MANAGEMENT ASSESSMENT
of
THE OFFICE OF HEALTH

BUREAU FOR SCIENCE AND TECHNOLOGY

EXECUTIVE SUMMARY

The Health Office of the A.I.D. Science & Technology Bureau manages a large and technically complex research and field support program. Its responsibilities and workload increased dramatically in 1985 when the Congress appropriated $85 million additional funds for Child Survival. Today, the combination of health, child survival and AIDS appropriations make health the second largets Agency program. The Office plays a major role in the planning, implementation and monitoring of that initiative, in concert with the Child Survival Task Force, regional bureaus and field missions. In early 1985 the Office had 16 full-time equivalent (FTE) staff positions and a $24.8 million budget (OYB). In 1988 it has 20 FTE staff positions and a $63.1 million OYB. To cope with the additional workload the Office employs 18 additional (outside of ceiling) full and part-time staff.

The research projects (11) and field service projects (21) are directed toward high priority health problems confronting LDCs, focussed for the most part on "child survival" interventions. Taken together, immunizations and diarrheal diseases receive the great majority of the Office's time and money. Research is applied rather than basic, with the exception of malaria vaccine development, and field support projects are oriented toward improving service delivery and impacts.

Office performance is considered to be good despite its heavy workload. Research projects appear to be achieving their objectives, although impacts of such projects are difficult to assess. Field support project "clients", regional bureaus and missions for the most part, express almost universal satisfaction with the quality of services received. Quantitatively, the project contractors have undertaken an impressive number of assignments in almost all A.I.D. countries. They have made a major contribution to expanding and strengthening child survival programs around the world. The Office is well regarded by its international agencies, and A.I.D.

The expanded role noted above has caused some strains within the Office and with regional bureaus and missions. The most significant ones are summarized below.

- The Office does not have enough full-time regular A.I.D. employees to manage the program at its current level. Some project officers (Cognizant Technical Officers) are unable to devote adequate time to monitoring their projects and contractors. The Office should not undertake new projects until adequate staff is available.

- The program consumes a large proportion of A.I.D.'s total health/child survival budget (24% in FY89) (exclusive of special AIDs funds). Indeed, as A.I.D.'s Child Survival effort results in expanded mission bilateral projects, there may well be a competition between ST/H and the missions for funds.

- Field support technical assistance has become highly concentrated in the ST/H contractors as a result of quality performance, efficiencies of centralized resources, and convenience of contract "buy-ins". But, regional bureaus are not full partners in the planning, development and implementation of those "field support" projects intended to meet their needs.

- The Child Survival Task Force has done an excellent job coordinating the Initiative, but has generated confusion about organizational responsibilities among regional bureau and ST/H staff. This has apparently contributed to the mediocre performance of the Health Sector Council.

- It should be noted that a number of the projects in the Office portfolio, which have been regarded by regional bureaus as of lowest priority, have come into existence in response to specific Congressional interests.

The Office objectives remain valid and performance is good, but Agency management must consider carefully the appropriate scale of effort the Office should strive for considering financial and human resource constraints facing A.I.D. as a whole.

I. Introduction

In the Omnibus Continuing Resolution for fiscal year 1988, Congress instructed A.I.D. to prepare reports assessing the management and performance of several offices including that of the Office of Health in the Directorate for Health, Bureau for Science and Technology (ST/H). These reports were to assess, inter alia, the validity of the goals and objectives of the Office; how well those goals are being achieved; the

performance of the Office in providing services, as appropriate, to other bureau offices and/or to the Agency's overseas Missions; and, given competing demands being placed on overall Agency resources, whether appropriate personnel and funding resources are being made available for the Office. As further explained by the Senate Appropriations Committee, these reports were to consider whether these offices "...are achieving their stated objectives, whether these objectives can be achieved more efficiently through an alternative organizational structure, and whether, in fact, these objectives remain valid in light of funding and personnel limitations."

In terms of methodology, the team interviewed more than 45 people, reviewed the comments from more than 60 cables from field missions, and reviewed a substantial mass of documentation.

Background

A.I.D. has maintained a central office of health for many years with the objective of supporting research and development on technologies of importance to the developing countries, and providing technical support to its missions and regional bureaus. The Office was part of the Technical Assistance Bureau and Development Support Bureau prior to 1981 when the current Science and Technology Bureau was created.

During the 1970s the Office focussed on health sector management and planning methodologies in order to assist A.I.D. countries build their health delivery system institutional infrastructures, identify priority health problems and allocate resources to address them. Bio medical research was limited, although the malaria vaccine research program which continues today was begun then.

The orientation began to change in the early 1980s to a more disease-specific, and targetted field service program, commensurate with the development of focussed health program strategies being prepared by the regional bureaus and PPC. By 1982/1983 A.I.D health officers had targetted infant mortality reduction as their primary objective, in line with prevailing primary health care goals of WHO and UNICEF and selected oral rehydration therapy, immunizations,nutrition and family planning as their preferred tools. Several ST/H field support projects were started during 1981-1983 to assist with that Agency-wide initiative (Primary Health Care Operations Research - 1981, MEDEX - 1983, Primary Health Care Technologies - 1983). A.I.D. adopted a Health Sector Policy in December 1982 which defined these policy directions and introduced a new Health Sector Strategy in May 1983 which provided guidelines

for the development of Bureau and country assistance programs. This process led to definition of the Child Survival initiative, in concert with WHO, UNICEF and others, and resulted, in FY 1985, in appropriation by Congress of $85 million additional funds for this purpose. An Agency Child Survival Task Force was created to coordinate and monitor the Initiative, but the bulk of the operational workload at the central level fell on the S&T Bureau Health Office. Subsequently, the Agency also received significant funding earmarked for AIDS activities. With the advent of the Child Survival and AIDS funds, ST/H was dramatically changed. In 1984 the Office had 16 staff (FTE positions) and its operating year budget (OYB) was $24.8 million. In 1988 it has 20 authorized (FTE) positions and 38 total staff, and $63.1 million OYB.

Office Objectives

Program direction for the Office is guided by a number of Agency statements of objectives, functions and responsibilities. The Team reviewed statements included in the FY 88 Congressional Presentation (CP) covering a) A.I.D's Health Objectives and b) Central Programs Functions, Handbook 17 Statement of Functions for ST/H, and ST/H Statement of Responsibilities. They are consistent in their focus on a) development and adaptation of new technologies through research, b) application of research results through technical assistance to the field, and c) provision of technical coordination for A.I.D.

Substantively, the FY 88 CP states the Agency's overall health objectives as follows:

- Reduce infant and early child mortality and morbidity;
- Ensure that gains are sustained;
- Reduce maternal mortality and morbidity;
- Develop new cost-effective technologies and improved systems for delivery of child survival services in primary health care programs; and
- support other health interventions in LDCs where they are required.

The statements are consistent in their emphasis on technology development and field support, and yet provide considerable latitude for interpretation concerning relative priority and specific subjects to be pursued. The Team assessed Office performance against its three functions of research, field support, and technical coordination.

II. PERFORMANCE

A. Research & Technology Development

1. The research portfolio consists of 11 projects whose life-of-project funding exceeds $200 million. Table 1 below provides a complete list of the projects with their starting and termination dates, principal contractors, funding and ST/H project officer. The projects concentrated on a few high priority subjects, mostly concerned with "child survival." Several projects include many components, sub-projects, or grantees, which complicate their management.

A rough analysis of the portfolio reveals that six projects are devoted directly to problems confronting diarrheal disease and immunization interventions of child survival programs in the field. They are projects 5928, 5940, 5947, 5952, 5951.01 (Sub-project), and 5920. Three of them are devoted to diarrheal disease control (5928,5940 and 5952), two deal with immunizations (5947 and 5951.01) and one is concerned with child survival service delivery systems across the board (5920).

Three other research projects support child survival objectives, but less directly than the six projects cited above. They are 0453 (Malaria Immunity and Vaccine Research), 5967 (Malaria Field Trials) and 5935 (Diatech). And two projects appear to be unrelated to the Agency's child survival strategy - 1126 (Tropical Disease Research) and 5957 (Americares).

2. The Team found that the research portfolio corresponds closely to the Office's (and Agency's) objectives. It is tightly focussed, for the most part, on high priority field problems and is mostly applied research which promises usable results in relatively short time periods. Exceptions to the first criterion are the TDR annual grant to WHO, and Americares. The first is the Agency-wide policy of supporting WHO, while Americares was in response to a special interest. The malaria vaccine research program represents very long-term basic research which contrasts greatly with the rest of the portfolio.

3. Should A.I.D. be involved in basic research such as the malaria vaccine research program? We encountered strong views among persons interviewed and from reports,as to whether the Office should continue to support the malaria vaccine research program. In fact, the malaria vaccine activity introduces the question as to whether AID should ever again attempt to undertake long term basic research of this nature. Most members of the Team would opt for not undertaking long term basic research again. One member believed that A.I.D. should

engage in supporting basic research on major LDC related problems, but should find ways to reduce the direct management burden of such involvement. Malaria vaccine research is basic scientific research as distinct from applied research, and poses a special opportunity as well as a significant concern. As a serious LDC health problem it is a legitimate AID and CS priority. With no U.S. domestic interest in malaria, it is not appropriate for NIH attention. DOD interest is restricted to temporary protection of healthy adult males. Consequently malaria vaccine research is almost an international research orphan. AID has invested or projected $89 million in vaccine research as well as $5 million in field trials over the past twenty years. Until recently (according to informed sources) AID appeared to be on the verge of a breakthrough, but current success is now estimated at from anywhere from two years to indefinite. Concern has been expressed whether AID should persist in this area of basic research which takes approximately $10.0 million annually from the ST/H budget. Supporting termination would be (1) AID's lack of USDH scientific personnel capable of managing basic research in malaria vaccine, (2) indefinite time frame, (3) indefinite funding required. Supporting continuation would be the (1) huge investment in terms of time, money and expertise already provided, (2) possible nearness of success, (3) scourge that malaria is in terms not only of human health and suffering, but in terms of hampered economic development and (4) lack of predominant interest in the problem by other health research agencies. The team does not have the expertise to make a firm recommendation, but concludes that malaria vaccine research needs periodic (annual?) intensive progress review which maximizes cooperative interaction with all USG and donor entities involved in malaria vaccine research.

4. The research program is the product of extensive interaction with U.S. and international experts in the fields in which AID is involved, as well as of internal AID policy and programmatic strategies. ST/H has sought and obtained guidance for its research agenda from technical advisory groups which it has sponsored or in which it participates, including the following:

- NIH, Expanded Biomedical Research Opportunities in Developing countries. An External advisory Panel recommended approaches AID should take with respect to ARI, diarrheal diseases parasitic diseases, and viral diseases. 12/82

- NAS (BOSTID), Establishing Priorities for New Vaccine Development. 1982

- AID, Malaria Strategy Workshop. External experts encouraged AID to continue investing in vaccine research. 1983

- WHO, Advisory Committee on Medical Research (ACMR). Recommended health research strategy for supporting Health for All by the Year 2000. 1985

- NIH (Institute of Medicine), New Vaccine Development Priorities. 1986

- BOSTID, U.S. Capacity to Address Tropical Problems. 1986

- Global Task Force on Child Survival. 1985

- WHO, Advisory Groups on Diarrheal Disease Control Program and EPI Program. Ongoing

In addition to periodic guidance from the external advisory groups cited above, the Office receives feedback from AID's Research Advisory Committee (RAC) composed of about 20 outside experts representing universities and private industry. Its Panel on AID's Health Research Strategy met in October 1986 and again in September 1987 to review the overall research program. The conclusion of the second review was that "...AID's health research program appears to be a vigorous and productive one, whose principal resources are directed toward important issues."

In fact the Panel identified only one project which it felt was of marginal value - Pediatric Chronic Diarrheal Disease (5940)- not because of the subject itself but because it was devoted to basic research at a single U.S. institution with little experience with developing country problems. This project was included in the Office's research program as a result of Congressional interest.

The Team concurs with the RAC's overall assessment and found that the research program is closely linked to the ST/H "field support" projects and Mission health programs as well. Indeed, we found that AID's field operations (Missions), technical support (Regional Bureau and ST/H), and research (ST/H) programs are focussed on the same set of priority health problems characterized, for the most part, as child survival, with increasing concentration on diarrheal and immunizable diseases which impact primarily on infant and young child mortality.

5. <u>The research portfolio consumes approximately 55% of the total Office budget, excluding AIDS funds.</u> The RAC urged that more funds be devoted to the ST/H research program, if available. However, the Team feels that, given ST/H's other important task of mission support, the current proportion of ST/H funds devoted to research should not be increased.

One way to minimize this potential conflict is for ST/H to design research projects which can collaborate with planned or ongoing research programs supported by Mission projects, thereby reducing the need for central funds to set up parallel research projects. One team member cannot determine whether of not the current proportion of funds devoted to research in ST/H should be decreased. This distribution should be a function of the nature of the problem, the role of A.I.D. can play in the larger arena of health science, and the extent to which A.I.D.'s imvolvement focuses attention on a research agenda particularly important to the LDCs. A.I.D.'s approach to research should be integrated and involve both mission and central capabilities. Where USAIDs are able to convince recipients of bilateral assistance to participate financially in these research efforts, the overall effort is strengthened. There will be occasions, however, where S&T may have to bear the largest share of overall research funding. This does not alleviate the need for research coordination which must be improved to ensure maximum return for the dollar. In addition mission operational projects can provide vehicles for ST/H to add research components. We understand that the PRICOR project does this now. The Office should make a careful survey of Mission-funded research and operational activities to identify suitable candidates.

6. The eleven ST/H research projects are managed by one GS career AID officer, one US Public Health Service officer on loan from CDC, and two Interdepartmental Paricipating Agency (IPA) experts on loan from Johns Hopkins University and State of Maryland. The Office Director, RAC and this Team agree that the research program management and staffing is a major problem confronting the Office.

Problems include excessive workload for the Cognizant Technical Officers (CTO) as the project officers are called, who all have additional duties as well, unfamiliarity with AID procedures, system and field programs (PHS and IPA), lack of clerical assistance, and frequent turnover of CTOs. Despite agreement on the nature and severity of the problem, the Office, RAC and Team each offers different solutions. As part of a general reorganization plan, the Bureau proposes to create a separate Research Office which would have the effect of giving greater stature to that function and obtain additional CTO positions (AID and/or PHS) for technical experts. In contrast, the RAC recommends that ST/H delegate much of the research project management responsibility to U.S. universities. The Team agrees with neither position and proposes instead that the Office assign AID career health officers (FS and GS) as project officers to manage the research projects, as it now does for the field support projects, and retain non-career technical experts to serve as resident staff advisors for the principal

subject areas (diarrheal disease, immunizations and malaria). The latter would assist with all Office projects in their respective fields. This issue is discussed more fully in Section III.

B. FIELD SUPPORT

1. Performance

a. The field support project portfolio is tightly focussed on the Agency's child survival priorities. The projects which provide services directly to the field are organized "categorically" or "vertically". Each of the following projects is devoted to one functional problem or intervention: WASH - water & sanitation, HEALTHCOM - communications, PRITECH - ORT, SUPPORT - ORS, , VBC - vector borne diseases, and AIDSTECH - AIDS. One project, REACH, addresses two subjects, immunization and health care financing. Each is implemented by a prime contractor and various sub-contractors. (See Table 1).

The rest of the field support projects provide a variety of services, or people to missions, ST/H or other entities (e.g. Peace Corps) to help them pursue AID's child survival and AIDS initiatives, for the most part. Projects which do not fit that description are Asia-Pacific Public Health Management, Development of International Linkages in Medical Education with African and Caribbean Countries (Morehouse College), Milwaukee International Health Training Center, and MEDEX. Those four were all initiated by the Office in response to strong Congressional support and all are scheduled to terminate in 1988 or 1989.

b. Field support project performance has been very good. Regional bureau and mission representatives give high marks to the technical performance of the consultants provided through the ST/H field support projects. What criticism there has been has centered almost exclusively on issues of planning and arranging the services, and is directed at both the ST/H office as well as the contractor. But, that criticism is remarkably infrequent and mild considering the large number of assignments performed, often under difficult circumstances. No comprehensive record exists covering all of the projects, but from a cursory review of reports, analysis of field cabled comments and the Team interviews, it is apparent that the field support projects have played a major role in planning, designing and supporting implementation of a large number of mission health projects. In fact, they have been associated in some way with almost all of the current mission projects.

c. Field support projects are diverse in their objectives and types of services provided. Some are pro-active whereas others are reactive, by design. Some provide long-term and short-term services, whereas others provide only one or the other. Some include a "research" or technology development component and others do not. Although they all collect technical information related to their subjects, only some are expected to actively disseminate it. Table 2 below illustrates this diversity in matrix form.

As a rule, the "proactive" projects are those which were initiated to promote priority child survival interventions, encourage missions to include them in bilateral projects, and provide long-term technical services in some countries to accomplish that end, if necessary. PRITECH, REACH and HEALTHCOM fit that description. Reactive projects provide short-term services for important but lower priority interventions which are prominent in many missions' health portfolios. WASH and VBC fit that description.

Although complaints from missions and regional bureaus are relatively few, they relate almost exclusively to the more pro-active projects. Problems seem to arise over selection of "emphasis countries" for long-term work, inability to respond because of excess demand and lack of funds, difficulty in identifying consultants in certain fields (health care financing), and short turn-around time given by missions.

d. Agency initiatives in AIDS appear to be proceeding coherently and expeditiously.

AIDS as health problem confronting A.I.D. burst into life in FY 86 with an initial funding of $2 million. Subsequently in FY 87 A.I.D. committed $17 million to the AIDS programs. In FY 88 Congress earmarked $30 million to continue AIDS prevention and control programs. ST/H's responses was to create the AIDS Technical Support Project (936-5972) which has two principal components AIDSTECH and AIDSCOM. Both components are designed to complement WHO activities and to assist LDC governments to set up AIDS detection, control and prevention programs. Field support is emphasized over research.

AIDS activities are coordinated through the AIDS Working Group which meets weekly and involves both S&T offices and regional bureaus. Management of AIDSTECH resides in S&T Health, while AIDSCOM management has been conferred on S&T Education.

A.I.D.'s creation of an S&T project and the establishment of the Working Group have probably been the quickest possible response to provide field support for this new health crisis.

However, use of the working group coordinating concept needs to be monitored to assure it is discontinued as soon as AIDS activities have become incorporated into normal implementation procedures.

e. The Office does not offer a field support project/contractor for health services planning and management generally, although that was the main emphasis of its program prior to 1980. Persons interviewed in ST/H and the regional bureaus feel generally that most planning and management requirements are met through the existing projects in the context of strenghening health systems to accomplish concrete intervention-specific objectives. In addition, PRICOR is analyzing these issues through its operations research work and the Office makes available services of three Indefinite Quantity Contractors (IQC) for health planning and delivery systems consultant services. Furthermore, missions frequently provide overall planning and management technical assistance through their bilateral project contractors. The Team concludes that those needs are being met satisfactorily through present mechanisms.

f. AID health sector technical services have become highly concentrated in the ST/H project contractors. The Team noted that most of this work is now performed by consultants from the five principal ST/H contractors and inquired about its consequences. We found that performance has probably improved as firms have specialized in certain fields and response capability is good. Furthermore, the contractors have used numerous experts from many suppliers through extensive sub-contract networks to do the work, thereby spreading the work around and expanding the networks of experienced consultant technicians. The growing use of contract "buy-in" arrangements has greatly facilitated mission use of the central projects and has contributed to this apparent concentration. (See Section B.2.b below) Missions appear to be using IQCs relatively infrequently, probably because the buy-in mechanism is so attractive. The Team concludes that the apparent concentration is the consequence of successful performance and has actually strengthened the sector.

g. Mission demand for field support services has been strong. Field demand for the direct service projects has exceeded initial expectations and has prompted early start-up of follow-on projects in the cases of PRITECH and WASH II. REACH and HEALTHCOM also expect to reach their funding limits ahead of schedule. In general, ST/H funds have covered 50% to 70% of the services during FY 1987 and FY 1988 and mission and regional bureau "buy-ins" paid for the rest, a clear indicator of field demand. For the field support portfolio as a whole buy-ins paid for 16%, 15% and 29% of the services provided in

FY85, FY86 and FY87 respectively. Bureau management places great importance on buy-ins as an indicator of the value missions and regional bureaus place on ST/H services. The Team agrees that it is valid as a rough indicator, but cautions that while buy-ins serve the missions' interest in obtaining quality expertise, they also respond to missions' needs for convenience and the avoidance of delays which would be occasioned by new competition for services.

The volume and purpose of field travel by ST/H staff is another useful indicator of field demand for ST/H field support services. Of an Office total of 691 TDY days in FY 87, 297 days (43%) represented direct support to mission projects,and missions paid 52% of the TDY costs of that portion. That positive indicator of mission support for ST/H staff travel is corroborated by complaints expressed by eight missions by cable to the Management Assessment Team that ST/H field support division staff do not visit them enough. They attribute the problem to a perceived shortage of Operating Expense travel budget.

Based on these two indicators (buy-ins and travel), the Team concludes that mission demand for ST/H field support services from both contractors and staff is strong. Missions are willing to use their own OYB and OE budget funds to get it.

2. ST/H Relationships with Regional Bureaus

a. Good working relationships exist, despite occasional conflicts.

The Office takes great pride in its "field support" project portfolio, and cites as evidence that it is rightly focussed and well managed the heavy demand for services and high "buy-in" levels attained. The Team agrees that the projects are providing a very valuable service to Missions and regional bureaus and that ST/H has done an excellent job in developing and managing the projects. Regional bureaus and Missions find the projects to be very convenient and effective sources of technical services. Therefore, although ST/H is utilizing a surprisingly high percentage of total A.I.D. health and child survival funds, (24% in FY89) there have been no complaints from missions or regional bureaus. (However, as ST/H's proactive efforts bear fruit and missions increase their bilateral health/child survival projects, competition for funding may emerge. In such event, we would expect ST/H's share to decline to a more typical percentage.) Despite this excellent performance, regional bureaus express some dissatisfaction with the way in which ST/H plans and carries out the "field support" function. They cite instances where

they perceive that ST/H actually pursues its own "agenda" in the name of offering field support and services. The Team identified a number of such instances and looked into the reasons for conflict.

In reality, "field support" misrepresents the nature of some of the projects and does not accurately reflect the basic policy of the SAA and previous Administrator. Their common objective for ST/H, as stated frequently in writing and verbally, has been to guide and direct regional bureaus and missions into certain specific programmatic and technical areas, most notably two of the "engines" of Child Survival - oral rehydration and immunizations. Consequently, ST/H "field support" projects providing those services were clearly designed to promote those Agency priorities in the field, and not just to respond to mission requests for support to their programs.

Although the field and Administrator's objectives have not really been at variance, numerous occasions for interpretation and adaptation arise in order to meet needs of many national programs around the world. In effect, the technical services contractors have been used, in part, to implement or reinforce the application of Agency policies where the normal Agency actors have not been adequately responsive. The most dramatic example of this is the Agency's attempt to introduce Oral Rehydration Therapy programs in Africa. In response to the Africa Bureau's inability to assign health officers to their missions and initiate mission health projects which could incorporate ORT interventions, the PRITECH project was designed to initiate long-term ORT programs in Africa, operationally independent of missions if necessary.

The fact is that while policy is made centrally, policy implementation is decentralized. Where these are not consistent, an ST/H project which is implementing central A.I.D. policy may well generate regional bureau dissatisfaction.

b. <u>Concentration of technical support suppliers in ST/H has given its contractors substantial influence over A.I.D.health policies and field programs.</u>

As a result of ST/H's successful performance in anticipating and /or responding rapidly to field demand for technical services (or to Agency directive to promote services) the vast majority of short-term technical assistance, and a growing proportion of long-term services as well, is provided from ST/H contractors - PRITECH, REACH, HEALTHCOM, WASH, VBC. IQCs, which represent alternative sources of expertise, are much less widely used now because it is more convenient to use the ST/H suppliers. Figures for FY 85 showed 43 work orders for $1.8 million, FY 86 showed 38 work orders for $2.1 million, while FY

87 dropped substantially to 17 work orders for $0.7 million. Furthermore, regional bureaus are discouraged from establishing their own contract suppliers because ST/H can meet most of their needs more efficiently, given the increasingly liberal "buy-in" provisions.

The concentration described above may be necessary and appropriate to accomplish Agency (and Congressional) policy objectives. But, it changes the relative power and roles of the Bureaus, and has also fiven substantial influence over A.I.D.-wide health program policies to the ST/H contractors themselves. The team heard of instances where those contractors interpreted technical guidelines to Mission staffs and host country counterparts who were not in a position to judge the validity of the interpretations. The contractors appear to be handling their responsibilities well, being sensitive about overstepping their mandates. In fact, several requested that their ST/H CTO's spend more time with them in order to ensure close coordination. However, ST/H should make sure that their contractors implement Agency directives and guard against any inadvertent abuse of their growing influence.

C. Technical Coordination

1. Health Sector Council and Agency Directorate

a. Background

Prior to 1981 health officers of the Development Support Bureau and regional bureaus met periodically on an informal basis to discuss technical and programmatic subjects of mutual interest. In 1981 this coordination function was formalized by the Administrator through the formation of a Health Sector Council, chaired by the new Agency Director for Health and Population. The Agency Directorate and Sector Council were to provide a mechanism for the accomplishment of the Agency-wide role in health which the Administrator wished the Bureau to play. The Sector Council was to provide the Agency Director a regular means for exercising his Agency-wide role, in collaboration with the senior technical specialists of the regional bureaus, PPC and external contacts.

A number of A.I.D. officers believe that the Agency Directors have been playing a much larger internal Bureau role than was initially contemplated for them, while the Sector Councils have dealt mostly with S&T Bureau business; that most of the issues considered in the Sector Councils have presented the opportunity for the regional bureau technical representatives to comment on Science and Technology Bureau programs, but have not served as an opportunity for consideration of issues presented by regional bureaus.

In September 1987 the ST/H office sought regional bureau feedback on its performance in meeting its Agency-wide and field support responsibilities. Several persons interviewed said that the Office did not take the Sector Council mechanism seriously enough and maximize its potential for achieving cross-fertilization and coordination of Agency health programs. They pointed out that the Child Survival and AIDS Task Forces were doing a better job. They added that the Agency Director (also Health Office Director) was not using the Sector Council mechanism to carry out his Agency-wide role.

b. Team Findings

Based on interviews and review of minutes of Council meetings, the Team found that the Council mechanism has been used during the past year, at least, to obtain regional bureau feedback and concurrence on Office projects and activities, review substantive topics of general interest,and to discuss Agency-wide policy issues concerning primarily the Child Survival initiative. Regional bureau representatives feel that the Council meetings have served to improve coordination and communication between them and ST/H, but has not been as effective as it could be. They complained that meetings have not been held regularly each month, but scheduled to meet the needs and convenience of ST/H. While the meetings were irregular, seven meetings were held during 1987.

The Team was advised that the function of the Health Sector Council was complicated, and somewhat compromised, by the work of the Child Survival Task Force which met periodically during the past several years to coordinate the Child Survival Initiative. Those meetings, chaired by the Deputy Assistant Administrator of the Science & Technology Bureau, covered much of the ground that the Sector Council would normally have discussed in the absence of the Task Force and, in the view of the Office Director, reduced the need for frequent Council meetings.

Regional Bureau representatives also complained that ST/H sometimes brings subjects to Council meetings on which they seek regional bureau concurrence, without having given the regional bureau people adequate time to study related material and reflect on it. The regional bureau people suspect that ST/H tries to extract concurrence to ST/H's proposals and impose its will unfairly, in the name of urgency and AID priorities. Although ST/H claims that they do not intend to act in a directive manner, and that they want to work collaboratively with regional bureaus, the experience as perceived by some regional bureau representatives is otherwise. On the other hand, the Office Director requested, at the April 23, 1987 meeting, that regional bureau

representatives propose agenda topics for discussion at subsequent meetings. Based on the Team review of Council meeting minutes, it must be concluded that the regional bureau representatives have not done so.

The original conception of an Agency Director was one which suggested a great deal of Agency representation and coordination at international and domestic scientific fora and a nominal amount of internal Bureau and Office management. The Office Director was expected to attend to the internal workings of the Office. In the case of the Agency Directorate and Office of Health, which are identical and headed by the same person, the separate roles of Agency Director and Office Director have become indistinguishable.

c. Conclusions

The Team concludes that the Council has played a valuable role in increasing coordination and communication between the health sector technicians in ST/H and regional bureaus, and provided a formal mechanism for obtaining feedback on ST/H projects. But it is not meeting the Administrator's original expectations that it would provide the mechanism for the Health Agency Director to exercise his "Agency-wide" leadership role. We note that the Agency Directorate is not functioning as originally contemplated and feel that that role is probably not realistic given AID's decentralized management structure. But, the Council is serving a very useful communication function. We also observed an effort on ST/H's part to use the Council as a means to collaborate with the regional bureaus in meeting their common objectives, but with less than full success, as noted above. Regional bureau representatives have not taken initiative to make the Council meetings more useful to them by bringing topics to it for discussion or proposing changes in its structure or role.

The Council probably cannot be expected to be much more than it is at present because it is actually just one element in a spectrum of AID decision-making mechanisms - formal and informal. On the one hand considerable business is transacted daily between ST/H and regional bureaus on many subjects, including project-specific implementation, Agency-wide policy issues, personnel and ST/H new project development. Some of this represents preliminary work on subjects which are eventually dealt with formally at Council meetings. But, on the programmatic and resource allocation side, decisions are usually reserved as the prerogative of each bureau's top management, with involvement of their respective Program Offices.

2. Child Survival Task Force and AIDS Working Group

The task forces, while serving a very useful purpose, intrude on ST/H's relations with the regional bureaus. The Child Survival Task Force was set up in 1985 with the advent of the Child Survival Initiative to coordinate its implementation within AID and interact closely with the Congress and international agencies. One of the S&T Bureau Deputy Assistant Administrators was appointed Chairman. Regional bureau and S&T Bureau persons interviewed agree that the Task Force was instrumental in making the C.S. Initiative work as well as it has. However, they also agree that it causes confusion about leadership of the program, which appears to many to be split between the DAA/ST and Agency Director (Office Director) for Health. Furthermore the respective functions of Task Force meetings and Health Sector Council meetings with respect to child survival subjects is unclear. Some observers feel strongly that the Task Force intervenes too much in the operations of the Health Office. Its original mandate was to "...coordinate and monitor implementation of the health and nutrition projects funded by our additional Health and Nutrition funds." It subsequently broadened its mandate to take on a leadership role in successfully creating an Agency-wide emphasis on child survival.

The Chairman advised the Administrator on February 19, 1988 that the Task Force's development work was largely complete and that its principal concerns during 1988 will be implementation and continuing Congressional interests. He advised the Team that the Task Force had accomplished its principal objectives. In view of that, and the evidence of management and communication problems currently associated with it, which impinge upon ST/H's relations with the regional bureaus, the Team concludes that the Task Force should be disbanded now. The mechanisms required to sustain the Initiative are in place and the Health Office, in collaboration with the regional bureaus and PPC, is capable of coordinating its implementation. Surely the Task Force's remaining task of handling "continuing Congressional interests" can be handled by ST/H in cooperation with PPC and LEG.

The new AIDS Working Group is also doing a commendable job under great pressure. In light of the experience of the Child Survival Task Force, the Team concludes that a target date should be established for termination of the AIDS Working Group. Only if mechanisms are not in place and programs are not operating routinely at that time, should it be extended.

3. Child Survival Information System

The Health Office is providing a valuable coordination function for the Agency through its Health Information System Project. The system is operated by a contractor as part of the CSAP-Support Project (936-5951). The contract was initiated in early 1984 to develop a data bank of information about USAID Child Survival and other health projects, compile relevant statistics on USAID countries and assist the ST/H Office with various analytic tasks. An evaluation conducted during December 1987 found that the data have been used for tracking progress of USAID-funded health and child survival projects and for planning and monitoring A.I.D.'s health programs worldwide. Furthermore, the system (HIS) has provided all the data for the annual Child Survival Reports to Congress. It is being used by the regional bureaus for their own program monitoring and planning purposes, and increasingly by outside agencies, including the United Nations Water and Sanitation System.

4. Technical and Policy Coordination with External Organizations

Office staff participate actively in technical and policy fora with external groups. On the technical side, the Office Director and a large number of cognizant technical officers (project managers) attend meetings with international and U.S groups to discuss issues related to their projects, including coordination of similar efforts conducted by others. Approximately half of the Office travel in 1987 was for that purpose, in contrast to project implementation purposes per se. The Office maintains close contact with the World Health Organization, National Institutes for Health and Centers for Disease Control units of the U.S. Health and Human Services Department, and universities with which it collaborates on a number of activities.

On policy and programmatic issues the Office participates heavily, directly and indirectly, in communications with Congress about A.I.D.'s health and child survival program. We were told that Office staff prepare numerous documents used in communication with Congress, and sometimes participate directly in such communications. This function appears to place a heavy burden on the staff, taking time away from their project and office management responsibilities. The Team noted that the PPC Bureau had handled a large share of this responsibility in previous years, before its staff was reduced.

III. Management Issues

A. Staffing

1. Number of Office's authorized positions is inadequate.

S&T Health is staffed with a bewildering variety of kinds of employees. There are no fewer than 14 categories of employees including full and part-time personnel. (See table 2) Some of these employees can function as full cognizant technical officers (CTO's), others can't. Some are long term, others may be gone on a moment's notice. The Team counts 38 employees, excluding two experts working on a "when available" basis (WAE). This figure can be rendered obsolete at any time.

In terms of perspective, a comparative set of figures is instructive. In FY 1985, ST/H had 16 FTE (full-time employee) ceilings. There were, then as now, assorted other personnel. ST/H's share of the S&T Bureau's FTE ceilings was 7.4%. The FY 85 funds assigned to ST/H for management (prior to the Child Survival build-up) constituted 9.8% of all S&T funds. From this perspective the ST/H office had reasonable numbers of staff to match resources assigned. By FY 1988 (current) the FTE allocation to ST/H had increased 25% to 20 ceilings (though all are not currently filled) constituting 10.6% of all S&T ceilings. The funding resources conferred on ST/H to manage have increased by 335% and now constitute 24.9% of all S&T funds. While these comparisons are necessarily gross, discounting the reality that some funds are merely "passed through" to WHO, there is little doubt that the ST/H office is being made responsible for more funds without commensurate increase in staff. Hence, the proliferation of ad hoc solutions, some quite innovative, to bring in additional people not subject to ceilings.

2. CTO workload is heavy.

To address the workload, ST/H assigns a Cognizant Technical Officer (CTO) for each project (and, on occasion, subproject, see table 3). To cover the 29 existing projects in FY 1987, S&T identified 18 CTO's who each managed from 1 to 3 projects. While, on the face of it, this project workload may not appear excessive, effective performance depends heavily on such variables as: the nature of the project, the quality of the contractor, the number of subprojects, the number of buy-ins, the CTO's own A.I.D. implementation experience, the amount of travel funding available, etc. Furthermore, many CTO's have significant work requirements in interacting with US and international scientific bodies, participating in regional bureau activities, and, as the Agency's last repository of information on health, responding to ad hoc requests from Congress and the public.

Of specific interest in terms of CTOs is the unusually heavy research portfolios carried by the research staff, 3/4's of whom have only limited A.I.D. implementation experience. This heavy workload reduces the ability of these technical specialists to interact technically with operations research or field support type activities, whether in S&T or in the field.

3. CTO's do not travel to the field enough.

As noted in Sec. II.B.1 above, ST/H staff travel is a chronic complaint. Field missions repeatedly urged ST/H officers to visit and to provide technical advice to projects in the mission's own portfolio. The team was advised that (a) travel funds were inadequate and (b) staff time available for travel was limited. In terms of funding resources, it may be necessary for S&T management to re-examine priorities relating travel funding to project management responsibilities. Also of note, in FY 1987, ST/H officers traveling in support of mission activities had 299 days of TDY spread among 11 officers. This works out to one 3 week trip per year per active officer, a fairly nominal figure. Much greater mission support could be provided by either increasing the number of officers providing field support and/or increasing the numbers of TDY days in the field per officer, or both.

4. CTO's and Office management face potential accountability problems.

In terms of accountability, each CTO is expected (required?) to be knowledgeable about project progress and expenses. Travel to project sites is certainly essential to assure that minimal financial responsibility is maintained. While A.I.D. vulnerability assessments are not necessarily impeccable indicators of potential fiscal mismanagement, it should be noted that in the last vulnerability assessment (July 1985) ST/H was rated as a moderate risk (2nd highest category) at a time when it had yet to assume significant increases in funding from Child Survival and AIDs earmarks. The team was informed that a vulnerability assessment (now called an internal control risk assessment) was currently being undertaken since June 1987 but had not yet been completed.

5. Non-career technical experts should not serve as project officers (cognizant technical officers).

ST/H has followed a policy of recruiting highly qualified and experienced technical specialists to serve as CTOs for the projects in its research portfolio. This is seen as a means of strengthening the Bureau's, and AID's technical capabilities and helping to make it a leader in certain technical fields. Because AID has very few such biomedical technical specialists

among its career ranks ST/H has brought in many people from outside for short term assignments - usually two years. It has been very successful in attracting qualified persons from the U.S. Public Health Service, universities (IPAs, AAAS Fellows, CS Fellows) and state government (IPA). At the present time ST/H employs 11 such persons who are formally, or informally, in charge of 12 projects, representing 82% of the research portfolio and 41% of the total portfolio.

Based on its interviews with AID staff and ST/H contractors, the Team identified a number of problems associated with the Office's heavy reliance on the non-career technicians for project management responsibilities.

a. They do not know the "AID system" and it takes a year or more to really do so. By the time they are really part of the system and working effectively within it they depart.

b. More time must be devoted to management/ administrative aspects of the projects than to the truly technical aspects for which they were hired. This is compounded by the fact that the Office provides technical staff with very little administrative/clerical support.

c. The practice may contribute to the poor communication and technical interface between the research projects' staff and field service projects' staff, who are career AID health generalists for the most part. The research portfolio does not appear to be feeding into the "field service" portfolio from within the Office. Research findings are more likely to enrich field service projects through networks external to the Office.

Conclusion: The Team concludes that all ST/H projects should be managed by AID career officers, with appropriate inclusion of FS officers. We feel that many FS Health Officers with field experience would do the job admirably, and would appreciate opportunities to work closely with some of the most exciting applied health research work being done in the world. But, they could not do the whole job alone. A small number of highly qualified experts, such as have been used to date, should be assigned by ST/H to serve as technical advisors to all of the Office projects in their respective fields. For example, a diarrheal disease expert should "backstop" the ICDDR-B, ADDR, and WHO research projects and the PRITECH, SUPPORT projects, and advise on ad hoc matters that arise periodically. That arrangement would maximize their technical contributions to the entire portfolio, and strengthen the field and "AID system" synchronization of the research portfolio. This arrangement would probably require additional FTE positions for the Office, but reduce its dependence on temporary, above ceiling employees to run its complex program.

B. Office Structure

1. Office structure does not facilitate effective program coordination.

The present office organization structure places excessive burden on the Health Services Division to a) design and manage the highest priority field support projects (PRITECH, REACH, HEALTHCOM, PATH and PRICOR), b) maintain liaison with all mission programs, and c) perform ad hoc duties for the Office, such as organize ICORT III. By contrast, the Vector and Water Borne Disease Division is responsible for two projects (WASH and VBC) which are completely field support in nature, and yet they are not managed as part of the Health Services Division. The other major project in the Vector and Water Borne Disease Division(Malaria Vaccine Research) is very complex and should be part of a research management unit.

The Epidemiological Research Group, popularly referred to as the Research Division, manages several projects closely related to the principal child survival interventions pursued by the Health Services Division, but with very little communication between them. Finally, the Child Survival Coordination unit, which has played a useful role helping the Office handle the many special requirements of the Child Survival Initiative, now overlaps some of the functions of the Health Services Division and is also managing some projects as well. It should be integrated into the regular Office structure when the Child Survival Task Force is disbanded, as recommended above.

2. The Office should be reorganized, joining all field service projects and field liaison functions together and placing all biomedical research activities together.

The Office of ST/H has been considering a reorganization for as long as 18 months. The Bureau plan for the reorganization of the Directorate of Health involves the creation of two Offices within the Directorate of Health, one for Reasearch and one for Field Support. Within each Office would be two or three Divisions (as appropriate). (The Divisions would not, as of the present, have sufficient staffing to justify their receiving that name classification.) Each Office would have a Director at the SES level. While the Directorate has been allocated four (4) additional FTE ceiling, two of these ceilings would be utilized by creating the Office Director positions. The remaining two FTE ceilings are expected to be used for an additional CTO and an additional secretary.

Bureau management should make sure that reorganization will alleviate current problems of overloaded project officers (CTOs) and poor internal coordination between units.

Unfortunately, the plan currently proposed by the Bureau would, in the Team's opinion, exacerbate rather than alleviate, those problems. Although that plan correctly places research in one unit and services in another, it separates them organizationally even more than now by elevating each to Office status. We feel that could inhibit interdepartmental communications even more and probably hurt prospects for recruiting AID career health officers to manage research projects as recommended above.

The addition of two high-level managers to serve as office directors represents another serious flaw in the Bureau's plan. Any new staff provided to this Office (Directorate) must serve as project officers (CTOs) to ease the current serious overload. Many persons interviewed by the Team (staff, contractors, international agency officers) expressed serious concern about the situation, and most field criticisms of the Office reflect the same problem. The Team feels that CTOs are already unable to stay as close to their respective projects and contractors as they should in order to discharge their project officer responsibilities properly. In fact, the Team urges that no new projects be started which would place additional management burden on CTOs and that the Office actually reduce substantially the number of management units or activities for which it is responsible.

The Team feels that creation of two health Offices might generate even greater claims for scarce funds and staff, which, given the high percentage of Agency health funds already controlled by ST/H, and the possible and desirable increase in mission bilateral programs competing for these funds, would be a most unfortunate outcome.

Since 1985 the Agency has placed a very heavy management and technical burden on the Health Office without providing a commensurate increase of appropriate staff. The Office staff themselves have contributed to the problem by continuing to propose additional projects, albeit useful field support resources (Maternal & Prenatal Care, Health Care Financing, Epidemiological services). As noted below, the Office is in a precarious situation in terms of carrying out its project management responsibilities. It is in danger of letting success get out of control. Consequently, Agency management must take a hard look at what it wants from the Office, its role vis-a-vis regional bureaus, and either increase its staff and operating expense budget or cut back its program to match the staff available.

C. PROJECT IDENTIFICATION, DESIGN & APPROVAL PROCESS

Ideas for new projects seem to emerge from a variety of sources, including informal staff brainstorming, perceived demand from the field, discussion with regional bureau and mission staff, political/management priorities, outside experts, etc. This appears to be a normal and healthy process which encourages creative thinking from a number of sources. But,the project design steps which follow initial identification of project ideas are equally important. A rigorous design process is required to keep the portfolio focussed on priorities and to produce projects which are relevant and implementable.

The S&T Bureau has a formal project design procedure which includes preparation of a Concept Paper, PID and Project Paper. Concept papers are reviewed by the Senior Assistant Administrator. If approved, a project team is to be formed, including a member of ST/PO (Program Office), members of ST/H, and sometimes representatives of other S&T offices, regional bureaus, General Counsel and Contracts Management. A PID is prepared for SAA approval, unless he had waived PID preparation at the Concept Paper stage. That is often done for follow-on projects but rarely for new projects. Regional bureau representatives are consulted early in the process and cables are sent to missions soliciting their views and expressions of potential demand for proposed project services, including estimated "buy-ins". Regional bureau inputs and concurrence are sought for the Concept Papers, PIDS and PPs.

In practice, PIDs and Project Papers have been prepared for all the recent "field support" projects, but for only some of the research projects. Of the current ST/H total project portfolio of 32 projects of which 6 were unsolicited proposals, PPs were prepared for 14. ST/PO involvement has been minimal and, although regional bureau people have been consulted throughout the process, they have not participated as full team members.

Issues:

a. ST/H does not prepare Project Papers for all projects. Because the Agency has found the project paper preparation and review process to be a useful way to assure that all pertinent issues are addressed, it seems appropriate for ST/H to follow that process for all of its projects. Content and emphases of project papers can be modified to meet the needs of particular types of projects.

b. The S&T Bureau reviews and approves project documents (Concept Papers, PIDs, PPs) seriatum rather than in a common meeting format. Regional bureaus have found that the meeting format for project review and approval purposes is useful because it generates discussion of alternatives and critical assessment of the proposals. Meetings permit representatives of interested offices and bureaus to participate in the decision-making process on an equal basis with the project proponents. The process also serves to inform interested offices about the projects. In view of regional bureau comments to the Team about lack of opportunity to participate in ST/H project design process, it would be prudent for ST/H to hold project review and approval meetings where all parties could express, and share, their views together. Sector Council meetings are not appropriate for this function because Council membership does not include all of the appropriate skills required for project review. Furthermore, Council meetings are intended for collegial discussions of technical subjects, and formal review of project proposals should raise additional programmatic and funding issues which transcend the Council members areas of concern and/or expertise.

c. ST/H does not include regional bureau representatives on project design teams. Although regional bureau representatives are consulted on some project designs, especially "field support" projects, they are not brought into the design process as formal participants. Now that many ST/H projects are essentially USAID service projects, and the distinction between "central" and "regional" projects is blurred, regional bureau staff should participate actively in the design of many ST/H projects. It is not enough for ST/H to consult with regional bureaus about the design of their (ST/H) projects. Instead, the projects should be regarded as joint projects and regional bureau staff should be full partners in their conceptualization, design, implementation and evaluation. Differences of emphasis and technical content should be resolved collaboratively through the design process. In fact, regional bureaus have consciously refrained from establishing regional technical support contracts through their own projects because ST/H already has a project contractor in place to meet their needs. ST/H has encouraged regional bureaus to rely on their service projects in lieu of starting their own. The WASH, VBC, PRITECH, REACH, HEALTHCOM projects are cases in point.

d. Project Development Officers (PDOs) do not participate in design of ST/H projects. In fact, the S&T Bureau does not have any PDOs. The Program Office is expected to play that role but it is understaffed and inexperienced in project design. ST/H has several CTOs with project design experience but they do not play an Office-wide role. Ideally, S&T could create a PD

capability to serve bureau-wide, but in any event, should create a mechanism which will take advantage of the rigorous project design and review system which is extant in the regional bureaus. The Office should ensure that all of its CTOs take the A.I.D. Project Design and Implementation course (if they have not already done so) to increase their understanding of the issues involved.

TABLE 1

5 & 1 HEALTH PORTFOLIO

RESEARCH		START	END	LIFE OF PROJECT AUTH	OBLIG THRU FY87	MANAGER		CONTRACTOR	ANNUAL OYB 87	88	89
Malaria	931-0453	75	89	89,000	75,112	Heiby	(GS)	Various	9.9	8.5	0.5
TDR	931-1126	78	90	40,300	32,300	Shiff	(IPA)	WHO	2.5	2.5	[illegible]
DDRP	936-5928	84	88	18,025	14,025	Lin	(IPA)	ICDDR-B	3.4	2.[illegible]	3.0
PED.CHR.DDRT	936-5940	84	87	3,298	3,000	Lin	(IPA)	Buffalo	0.5	-	-
Vaccine	936-5947	84	88	7,430	6,000	Bender	(FHS)	HHS/OIH (Curlin)	0.8	1.0	0.5 (CS) 0.4
AODR	936-5952	85	9/90	12,500	12,500	Lin	(IPA)	HIID	1.2	1.7	1.5
Americares	936-5957	85	9/90	800	800	Shiff	(IPA)	Americares Found.	-	-	-
Field Support											
HEALTHCOM	931-1018	78	93	12,500	12,500	Clay	(GS)	AED	2.0 0.1	2.0	2.5 (CS)
PRICOR I, II	936-5920	81	90	19,553	19,553	Heiby	(GS)	CHS-URC	2.0	1.8	1.9
PRITECH	936-5927	83	88	44,700	40,000				4.0	2.1	2.0 (CS)
	.1 PRITECH	83	88			Feinberg	(GS)	MSH	0.1		
	.2 CDC	84	88			Feinberg	(GS)	CDC			
	.3 REACH	85	90			Abramson	(GS)	JSI			
	.4 HLTHFIN	86	88			Randlov	(FS)	WHO			
Hlth Resources Sources	936-5929	84	9/88			Ice	(GS)	OIH	0.6	0.9	0.7
MEDEX Support	936-5932	83	8/88	4,600	4,600	Feinberg	(GS)	Univ. of Hawaii	1.0	0.5	-
DIATECH	936-5935	85	9/90	11,000	10,000	Bender	(IPA)	PATH	- 2.0	- 2.0	1.0 (CS) 1.5
ORT-HELP	936-5939	84	12/91	7,300	7,300	Clay	(GS)	AHRT PRAGMA Peace Corps	- 1.0	- 0.8	0.9 (GS) -
WASH	936-5942	84	89	19,700	19,700	Austin	(GS)	CDM	2.4	1.5	0.5
VBC	936-5948	85	8/90	19,880	19,880	Shiff	(IPA)	Medical Services Co	1.6	1.5	1.8
Asia Pacific Public Health Management	936-5950	85	3/90	2,200	2,800	Heiby	(GS)	Univ. of Hawaii	-	-	-

CSAP Support	936-5951	85	90	7,000	3,750	Johnson	(GS)	AMA	0.3	-	-	FN
								ISTI	1.6	1.4	2.0	(CS)
								NCIH	1.3	-	-	
								Johns Hopkins	-	-	-	
Support	936-5953	85	12/91	2,973	1,973	Clay	(CS)	PATH	0.5	0.5	0.8	(CS)
Morehouse	936-5954	85	7/88	897	897	McJunkin	(CS)	Morehouse	-	-	-	
Milwaukee	936-5958	86	4/88	425	425	McJunkin	(CS)	Milwaukee	-	0.2	-	
DHS	936-3023	84	89	2,625	2,625	Johnson	(CS)	Westinghouse	-	0.1	0.1	(CS)
									0.5	0.4	0.4	
										15.0	15.0	AIDS
Sp. Pr. AIDS	936-5965	86	6/88	5,000	1,150	Harris	(PHS)	WHO	5.0	-	-	
Med. Fld. Trials	936-5967	87	9/92	5,000		Bender	(PHS)	Papua NG	2.0	2.0	2.0	
HEALTHTECH (LINK) II	936-5968	87	3/91	2,500		Johnson	(GS)	PATH	1.0	0.8	0.8	
									1.0	-	-	
PRITECH II	936-5969	87	92			Feinberg	(GS)	MSH w/AED, etc	2.9	3.0	3.5	(CS)
									-	-	-	
Tech. Adv. C.S. (PHS Details)	936-5970	87	93	2,000		Terry	(DHS)	OIH (PASA)	-	0.5	0.5	(CS)
									-	-	-	
										7.0	12.0	AIDS
AIDS TECH Support	936-5972	87	9/95			Harris	(AIDSTECH)	FHI	2.9	-	-	
						Sprague	(AIDSCOM)	AED				
							(GS)					
IOCs	936-1406	87	90			Pettigrew	(GS)	Various				
WASH III	936-5973	88				Austin	(GS)	TBD	-	1.0	2.5	
HLTH. FIN.	936-5974	89							-	-	0.6	
Maternal	936-5966	88	93			Tinker	(GS)	TBD		0.7	1.3	(CS)
									-	0.8	-	

S&T(H) - STAFFING

TABLE 2

CATEGORY		USDH GS	USDH FS	USDH PHS	"SURPLUS" "D"	"SURPLUS" AD	"SURPLUS" COMPLEMENT	OUTSIDE CEILING IPA	OUTSIDE CEILING PHS	OUTSIDE CEILING AAAS	OUTSIDE CEILING CS	TOTALS
Professional	FT	10	2	3	2	1	2	2	1	3	1	27
	PT	4	-	-								4
Support Staff	FT	4	-	-								4
	PT	3	-	-								3
Total		21	2	3	2	1	2	2	1	3	1	38

TABLE 3

S & T Health Cognizant Technical Officers (CTO)

FIELD SUPPORT

PROJECT	PROJECT NO.	TERMINATING	LIFE OF PROJECT (LOP $'000)
1. Lloyd Feinberg			
1. PRITECH I & II (ORT)			
I	936-5927.1		$44,700
II	936-5969		
2. MEDEX		'88	4,600
3. PASA with CDC	936-5967.2	'88	
2. Allen Randlov			
1. REACH - project mgt 1/2 time			
2. Maternal and Prenatal Health Project Dev - 1/2 time			
3. Health Financing	936-5927.4		
3. Susan Abramson			
1. REACH	936-5927.3		
4. Robert Clay			
1. Healthcom	931-1018.1		12,500
2. ORT-HELP	936-5939	84-91	7,300
3. Support	936-5953		2,973
5. John Austin			
1. WASH II	936-5942		19,700

6. Clive Shiff

1.	VBC	936-5948		19,880
2.	Americares	936-5957		800
3.	TDR	931-1126		40,300

7. Tom Bender

1.	Vaccine	936-5947		7,430
2.	Malaria Field	936-5967		5,000
3.	DiaTech	936-5935		11,000

8. Lin

1.	DDRP	936-5928		18,025
2.	ADDR	936-5952		12,500
3.	PED. CHR. DDRT	936-5940		3,298

9. Jim Heiby

1.	Malaria Vaccine	931-0453		89,000
2.	PRICOR II	936-5920		19,553
3.	Asia Pacific PH Management	936-5950	85-90	2,200

10. Pam Johnson

1.	CSAP - support	936-5951		7,000
2.	NCIH	936-0271		
3.	Demo & Health Surveys	936-3023		2,625

11. Eugene McJunkin

1.	Int. Linkages in Med Ed	936-5954	7/88	897
2.	Milwaukee IHTC	936-5958	4/88	425

Janet Ice

1.	Health & Human Svcs (RSSA)	936-5929	N-A Annual 200

13. Jeffrey Harris

1.	AIDS	936-5965	5,000
2.	AIDS TECH	936-5972	

14. V. Barbiero

1.	Healthtech	936-5968	2,500

15. J. Terry

1.	TACS PASA with OIH	936-5970	2,000

16. D. Sprague

1.	AIDSCOM	936-5972	

17. G. Pettigrew

1.	IQCs	936-1406	

18. Ann Tinker

1.	Maternal/Prenatal Health & Nut.	936-5966	

MANAGEMENT ASSESSMENT

OFFICE OF SCIENCE ADVISOR

APRIL 1988

Richard N. Blue
Irwin A. Levy
Robert Pratt
James A. Graham

Office of Science Advisor

EXECUTIVE SUMMARY

I. Program Description

The Office of Science Advisor (SCI) was established in 1981 both to advise the Administrator and A.I.D. on a broad range of science and development issues and to manage several programs of small grant support to U.S. and developing country scientists.

The research program administered by SCI is funded separately from the mainline activities of the Science and Technology Bureau. While loosely focused on problems of interest to A.I.D., such as biomass conversion or biological diversity, the grants have been awarded based on criteria of innovative "high risk - high gain", start-up types of research activities and have gone to research collaborators in 42 countries. While a significant number of missions now support the program, it operates outside mission development strategies.

SCI is also the focal point for A.I.D.'s most systematic relationship with the National Academy of Science's Board on Science and Technology in International Developement (BOSTID). SCI monitors the more directive and structured A.I.D. funded research program organized by the BOSTID. The relationship between the SCI and BOSTID program is currently under discussion.

Since its establishment in 1981, SCI has managed about $85 million devoted to research grants and developing country science support activities. A major evaluation of the program is underway and will be completed in 1989.

II. Management Assessment Conclusion

A. Is the Office of Science Advisor achieving its stated objectives?

The team generally concluded that the objective of supporting innovative research had been achieved, while the broader role of science advice and leadership had been partially achieved.

B. How can these objectives be achieved more efficiently?

The team concluded that while overall management of SCI's programs was of high quality, there was room for improvement in the monitoring of grants, and more

could be done to reduce management overhead and to provide support and training services to science collaborators. The current relationship with NAS/BOSTID is under negotiation and better integration of NAS's capabilities with A.I.D.'s objectives should strengthen the program.

C. In the light of budget and personnel constraints, do the objectives remain valid?

The team did not reach agreement on this issue. One member concluded that regardless of the outcome of the evaluation, support for this program should be terminated as a "luxury A.I.D. can no longer afford." Two team members believed that this was an issue which should await the conclusions of the evaluation and the restructured relationship with the NAS. The fourth member concluded that the program objectives remained valid and that A.I.D. support for this type of U.S.-LDC collaborative scientific research should be expanded, particularly with respect to advanced developing countries.

Whatever the fate of the SCI Office, the role of A.I.D. in the larger world of development related basic and applied science needs a major examination and a clear statement of overall strategy.

I. Background

The Office of Science Advisor (SCI) was established in 1981 to administer a new Congressionally mandated Program of Scientific and Technology Collaboration (PSTC) between the U.S. and scientists in less developed countries. Congress in that year authorized $12 million to carry out that purpose.

A major portion of the PSTC was a competitive research grants program, directly administered by the Office of the Science Advisor. Organized as a project called, Innovative Scientific Research (ISR - 936-5542), it has an authorized amount of $35 million through 1987, with annual requests to Congress hovering at $5 million.

Also in 1981, the Agency provided a grant to the National Academy of Science (NAS) to develop and administer a program of research networks engaging LDC institutions in directed research programs on subjects of interest and relevance to LDC problems. The authorized amount through FY 88 was $36 million, with annual funding at $4 million. This grant is under the Applying Science and Technology to Development project

(936-5538) and will expire in 1990. In its 1988 report, the Congress limited funding to NAS to no more than $2 million this year, unless the amount exceeding $2 million was matched by other sources.

In 1985 a third major activity was developed in response to a Congressional request to implement a new program of collaborative science and technology projects between Israel and developing countries. Through FY 87 almost $12 million in grants have been committed to this effort under a U.S.-Israel Cooperative Development Research (CDR) Program (936-5544). Beginning in FY 1989, the program, renamed the U.S.-Israel Cooperative Development Program will be changed to a grant by A.I.D. to the Government of Israel foreign aid agency. The new program will emphasize training and technical assistance, but is likely to fund some research efforts as well.

In addition to the above major programs, the Office has administered a program between A.I.D. and the American Academy of the Advancement of Science (AAAS). This program brings young research fellows to A.I.D., serving in most respects as science consultants to offices in A.I.D./W. The program is coordinated by the Science Advisor, although individual requesting offices provide necessary funding. Begun in 1982 the program has placed 31 fellows in A.I.D. offices each for a one year period.

II. Focus of This Report

This report is but one of nine studies requested by Congress in FY 1988 focusing on the validity and management effectiveness of key A.I.D. central offices. The Continuing Resolution and Committee Report stated that it wanted to know whether A.I.D. offices are achieving stated objectives, how those objectives might be achieved more efficiently, and whether, in the light of funding and personnel limitations, the objectives remain valid, and how well offices in A.I.D. Washington provide effective support for missions in the field.

Because the Office of Science Advisor is somewhat unusual among the nine selected to be studied, a few sentences about the relevance of the general terms of reference are necessary.

The Science office programs are not designed necessarily to provide support to A.I.D. field missions. The general purpose of the three programs has been to fund scientific research involving LDC scientists collaborating with advanced country scientists on problems of relevance to development. While the three programs differ markedly in style and content, they have this in common. They are also inviestigator initiated and peer reviewed. As such, they involve a grant

monitoring rather than contract management style of administration. The projects may be funded in countries where there is a very limited A.I.D. presence (Mexico) or where the A.I.D. mission has only a very limited interest in developing programs of support for scientific research (e.g. Burma).

Nevertheless, SCI will not approve projects without the concurrence of the A.I.D. field mission, and SCI makes an effort to engage the field mission in the management of the program. Therefore while not a criterion of success it is nevertheless appropriate to examine the attitudes of the missions toward the SCI office programs and to highlight some of the positive and negative effects of this relationship. This will be addressed in detail in section IV.5 of this report.

III. Stated Objectives of the Office of Science Advisor

There are two elements to the Statement of Functions. One pertains to the Director of the Office, who serves a special role as Science Advisor, the other pertains to the function of the Office (SCI) as it relates to the programs it manages and to science and technology activities both in and outside A.I.D..

A. The Science Office

The functional statement requires that the Office:

- provide leadership to A.I.D. and IDCA on matters relating to Science Policy.
- coordinate U.S. government sponsored research related to applications of science and technology to development
- be knowledgeable about worldwide research and monitor A.I.D. funded research to ensure consistency with overall strategy
- be aware of new problems and recommend new avenues of research which might engage U.S. science
- oversee development of a "small portfolio of innovative programs of research or other forms of science and technology cooperation beyond those undertaken or planned by other elements of the Agency." Stress is placed on innovative approaches aimed at key bottlenecks to development.

As the report will demonstrate, the small portfolio of innovative programs is the most significant emphasis of the Science office staff.

B. The Science Advisor

- advises the Director of IDCA and the Administrator of A.I.D. on policy matters relating to science and technology

- serves as senior advisor on science and technology matters involving the bilateral program.
- serves as liaison to and represents A.I.D. on a wide variety of national and international science fora, and represents A.I.D. before Congress and the public to explain the importance of science and technology in solving development problems
- directs and supervises the Office and its programs.

All reporting relationships are through the Senior Assistant Administrator for S & T. All authorizing and obligating documents must be signed by the Senior Assistant Administrator or delegated officials in the S & T bureau. The Office of Science Advisor relies heavily on the S & T Bureau for staff, logistics and administrative support. Nevertheless the Science Advisor sits on the A.I.D. Senior staff and the Office independently submits its request for funds as a separate office in the Congressional Presentation.

For purposes of this assessment, the objectives of the Office are reduced to three:

1. the development and management of small grant programs to support innovative scientific research
2. coordination and oversight functions with other national and international science programs and activities
3. provide leadership and advise on matters of science and technology policy and programs to the Administrator and to A.I.D. in general

This report focuses on the management effectiveness of the Office within the framework of the terms of reference mandated by the Congress. It does not deal with the scientific quality or relevance of the research funded by the office. It does assess the procedures by which the office takes those concerns.

IV. Assessment of the Grant Programs

A. The Program for Science & Technology Cooperation

1. BACKGROUND

The Innovative Scientific Research grants program is now the major grant program directly managed by the Science office. PSTC includes: (1) Innovative Scientific Research (5542), (2) Strengthening of Capacity (5542), (3) Applying Science and Technology to Development (5538), and (4) CDR (5544). From 1981 through 1987 approximately $36 million dollars had been obligated for 385 specific projects in forty-four developing countries where there is or has been some A.I.D. presence. Of the countries with the strongest programs, Thailand stands out as the most successful with 41 projects

since 1981. Other countries which have made good use of the program include Nepal, the Philippines, Sri Lanka, Mexico and Guatemala. Peru is rapidly emerging as the second most active program participant with cumulative total of 14 grants through 1987.

The program makes rapid use of funds, with disbursements through 1987 totalling approximately $23 million. At the middle of FY 88, 132 projects had reached their terminal date, although final documentation had been received on only 57 grants.

2. STANDARDS FOR THE INNOVATIVE PROGRAM

As the program has matured, knowledge of the ISR program now appears widespread and proposal guidelines are clearly understood, particularly in high use countries such as Thailand and Peru. ISR program announcements have become increasingly clear and focused on the six predetermined research modules. These modules are:

1. Biotechnology and immunology in human and/or animal systems
2. Plant Biotechnology
3. Chemistry for World Food Needs
4. Biomass Resources and Conversion Technology
5. Biological Control of Human Schistosomes and of Plant Crop Viruses
6. Diversity of Biological Resources

Program announcements make it clear that proposals will be judged according to:

1. Scientific merit/quality
2. Relevance to international development
3. Innovation
4. Potential to enhance the capacity of developing countries to conduct innovative research.

A review of project files over the eight year period shows a progressive evolution of research focus by potential grantees, although as might be expected scientists making proposals from least developed countries and from those countries where English is not as widespread still have difficulty meeting the standards set out in the announcements.

3. SOLICITATION OF PROPOSALS

Response to SCI office ISR announcements has been very high, rising to over 600 "pre-proposals" per annum in 1985. The Science Office found this level of response too high, and has endeavored to bring down the number of pre-proposals, now stabilized at approximately 400 per year.

The number and distribution of pre-proposals received in the Science Office does not conform to any single explanation. Analysis of proposals received from the Latin American region shows Mexico leading the field with 313 submissions, while Brazil with an equally strong scientific establishment submitting only 50 proposals. Peru, a relatively poor country has submitted 98 proposals in contrast to Ecuador with 39, of which 23 were submitted in one year.

While a more lengthy investigation might reveal some underlying predominant factors which promote a high rate of knowledge and activity around the offer of the PSTC grants, at present it appears that a combination of factors are operating. These include:

- as regular development budgets decline, mission interest increases in other assets available to them from central programs
- the enthusiasm and support of the USAID mission or, in the Mexico case, the A.I.D. Representative
- the existence of scientific talent and reasonably sophisticated scientific institutions in the LDC
- previous scientific training in and connections with US research scholars and institutions.
- interest of US scientists and science institutions in conducting research on problems affecting LDC development
- the variability of the country ecosystem attracts scientific interest as in the case of Peru.

Regarding US interest, it is noteworthy that 113 of the Principal Investigators are located in US institutions. Since the first year or two of the ISR program, the balance has shifted to a distribution in which two thirds of the grants are made to LDC's and nearly all grants involve a significant degree of interaction between the US and the LDC scientist.

SUB-CONCLUSION:

The Science Office has developed a basically effective system for advertising and solicitation of grant proposals. Faced with an embarrassment of riches, they have wisely cut back on active promotion proposals. Yet, since the purpose of the program is to promote new and innovative approaches, it does not permit grant renewals or long term financing of mature research regimes. Thus the Office must continue to place emphasis on stimulating new potential grantees. From the evidence it appears clear that having active support of USAID mission staff is one means by which this can be done.

4. THE GRANT SELECTION PROCESS

The Grant Selection Process, including ISR and CDR, is well articulated and effectively managed. It does however, consume 75% or more of the staff's time, according to estimates of professionals in the Office. This may be appropriate, since the heavy emphasis on a carefully structured peer review process is the most important way to insure quality, and to promote institutional capacity in the LDC. Through the peer review process the potential grantee receives valuable feedback and becomes accustomed to constructive and objective criticism from peers. That the competition is international is an added fillip to the successful grantee. As a Nepali scientist wrote upon hearing that his proposal had been selected, "I would consider A.I.D. funding as the milestone of my career."

USAIDs have the opportunity to screen pre-proposals before forwarding them to A.I.D., although not all missions do this. Another feature of the grant selection process is the large number of scientists involved both within A.I.D. and the science community interested in international development.

The peer review is organized into two formal reviews, one at the pre-proposal stage and one at the "full proposal" stage. When pre-proposals reach Washington, they are distributed to the heads of sector councils for screening. Some Agency Directors engage other experts, others do not, but in all likelihood the pre-proposal screening process involves about forty-five A.I.D. professionals in S & T and in the regional bureaus. After pre-proposals have been screened and many rejected, some 140 full proposals are invited. When these arrive, the Science office organizes panels of outside experts who agree to volunteer their time to review the proposals.

The most recent proposals were reviewed by 142 outside scientists who gathered for three days in October 1987 at the National Academy. All of these people volunteer their time. Each panelist reviews two proposals and panelists join in final recommendations and rankings.

After the peer review panel makes its recommendations, a letter goes from SCI to the grantee. Frequently this letter contains explicit provisos which the grantee must satisfy before the award is given. The researcher's response is reviewed within A.I.D., by a senior staff member of the Office of the Science Advisor and the designate project officer or the Technical Support person assigned to backstop a mission based project. A review of the files indicates that failure to satisfy the terms of the provisos can and does lead to rejection of the proposal. If all is satisfactory, a contract

ordering document is prepared which incorporates the provisos and, subject to a financial review by the contract office and availability of funds, the grantee is on his or her way.

ANALYSIS OF PEER REVIEW PROCESS:

The process is well organized, with clearly developed protocols and evidence of well thought out preparation designed to encourage maximum participation and high quality results. In addition, outside reviews are done with minimal cost to the Agency. But there are costs and drawbacks to the process. It does absorb the bulk of two professional person years in the SCI office to manage this process, and engages all of the limited staff for a substantial portion of time. It does rely on volunteers, hence one has to depend on whom one can get and who lives within the region. The Washington area is blessed with an abundance of high quality scientific personnel, but the ability to institutionalize the process is limited by the voluntary nature of it. Some reviewers suggested in interviews that while they enjoyed participating in the process, and file letters indicate a high willingness to repeat, there is also a feeling that this review is in part an "eleemosynary" gesture and not quite as serious as their participation in, for example, NIH or NSF reviews.

Another observation made by some reviewers was that the balance of objectives which include the developmental and capacity building purposes, tended to force ~~some tradeoffs~~ between those goals and the criterion of "good ~~science.~~" Finally because of the need to achieve some distribution between and among modules and countries, a number of high quality proposals are rejected.

What does this mean? Are we funding bad science.

SUB-CONCLUSION:

It is fair to say that the review process is as exhaustive and detailed as possible given staff time and resources available. A more expensive process using honoraria and travel funds to support a broader network of reviewers might produce better results and could be more easily institutionalized at lower direct management cost. On the other hand, the current system has the important benefit of widespread engagement of A.I.D.'s scientific and technically trained staff, and it puts the SCI office into direct contact with a wide array of Washington area scientific institutions, and, hence, increases A.I.D.'s knowledge of and visibility to the larger scientific community. Any changes in the management of the Peer Review Process should retain this important benefit.

5. THE GRANT OVERSIGHT PROCESS

While A.I.D. regulations do not require "management" of grants in the sense of contract or project management, officers who accept responsibility for ISR grants do in fact get involved to a greater or lesser degree. The term monitor is closer to the formal role, but management will be used to refer to the de facto process. Once awards are made the grant management becomes widely decentralized throughout the Agency, and in the field. Substantive grant management is located in one of three possible offices. First, SCI maintains control over a few grants. Second, and the most preponderant choice in the early stages of the program, a grant manager is found in the Science and Technology Bureau or in the Regional Bureaus. Third, grants are managed in the USAIDs. When the USAID manages a grant, a Technical Backstop person is officially designated in A.I.D./W, usually in the S & T bureau.

Interviews with grant managers indicate a wide divergence of views with regard to the value of the program, although on balance the people who take on this responsibility do so because they believe in the program and enjoy participating in it. For some however it is clearly a burden which they would rather not have, and one has to question in these situations how much management is actually provided. Negative experiences were more frequently reported from mission than from central and regional bureaus. This was true even for those missions which, on balance, saw merit in the program.

The quality of grant management in A.I.D./W, both in S & T and in the regional bureaus was mixed, but on balance very good. Of six managers interviewed, five kept their own files, followed up on correspondence, reviewed reports and demonstrated substantial familiarity with the grants under their purview. One manager stated he did not have time to pay much attention to his PSTC portfolio. Time spent on SCI office grant management was as high as ten percent per annum for officers who seriously manage as many as ten grants. The principal difficulty all A.I.D./W managers described was their inability to find ways to visit the project sites, even as add-ons to other official travel.

To expand the data base for determining how much of a burden to the missions the program actually has become, the team analyzed mission responses to a world wide omnibus request for mission information and views on, inter alia, the Science Office programs. Sixty-three missions responded to this request, many with well thought out comments regarding PSTC program activities. Three missions made negative comments about the management burden but only two concluded firmly that the PSTC program was not worth the effort. Another mission's

negative view expressed in the cable was undercut by the Mission Director's personally strong endorsement of the program when interviewed in Washington and, his estimate that the management burden was less than one half of the time of one FSN employee.

On the positive side of the ledger, ten missions indicated strong positive support for mission involvement in the grants program. These missions see the program as a small, but important, device to stimulate indigenous research in the LDCs, to strengthen US-LDC linkages through collaborative science, and a means by which the USAIDs broaden their own network of contacts. One Mission Director observed that many of the grants went to scientists who had been originally trained in the U.S., and the grant program permitted them to apply their skills in a collaborative research arrangement that would not otherwise be funded by the host government. Several of these missions did observe that efforts should be made to reduce the degree of administrative oversight necessary for these grants.

Another set of ten missions expressed generally positive views, but were judged, on balance, to take a more neutral stance with regard to the overall importance of the program to mission strategy.

More surprising than the low rate of negative comment from the field was the high level of no comment. Thirty nine of sixty-three missions reporting had nothing to say about the programs, although two of those missions, Kenya and Guatemala are or have been fairly active participants. This would suggest that it is possible to run a Science Office program in a country without much involvement of the USAID. The evidence of Brazil and Mexico, with four grants each, would indicate that a lonely A.I.D./Rep is able to work out a management system for handling the grants.

Clearly "management burden" is a relative and highly subjective phenomenon. Missions enthusiastic about the program and which see it as an asset work out the management system appropriate to the benefits. Missions who do not perceive the program as relevant tend to make more of the management burden. Even enthusiastic supporters of the program state that the SCI office tends to underplay the amount of mission management attention needed.

ANALYSIS OF MANAGEMENT:

Based on a review of files, and discussions with actual grant managers as opposed to Mission and office leaders, the following hypothesis seems to have some support. The objective

management requirements for servicing a science grant are highest when the grant is to an inexperienced Principle Investigator located in an LDC with poor communications and weak institutional support. The management burden is lowest when the PI is a US scientist working with an experienced LDC collaborator in a relatively accessible country. In this case the grant manager is usually found in the S&T Bureau and has easy access to A.I.D. and SCI office support systems.

The requirements of grant management varies greatly as suggested above. It includes helping the scientists travel, certifying vouchers, making advances and reimbursements, helping clear equipment through customs, interacting with the Science office on grant review and amendment processes and sometimes having to intercede in institutional squabbles which threaten the orderly progress of the research. Even the matter of financial accounting and management was a serious problem for mission Controllers who, until last year, had to keep separate accounts for SCI grants operating in their countries. Under a new system proposed and instituted by FM, financial management of grants at the mission level is fully integrated into mission accounting and disbursement systems.

Because the grants are small, ranging from as low as $10,000 to $150,000, A.I.D. and USG accounting and control systems may seem excessively expensive. One solution missions have found is to use FSN staff to provide grant management. This appears to have worked very well in Thailand and in Nepal. Another suggestion from one mission is for the SCI office to develop a "SCI Grant Mini-Handbook:" which would distill for missions the most effective management devices of the program. Finally it would greatly facilitate management if both SCI staff and technical backstop personnel from A.I.D./W could visit grantees at least once during the three year term of the grant, mainly in conjunction with other official travel.

In A.I.D./W grant management is relatively less troublesome, although interviews with regional bureau personnel discovered some concern that the work load associated with grant management was becoming a burden. One officer, now managing five grants, said that he was going to have to say "no" to anymore. Interestingly SCI grant management has been assigned to AAAS Fellows and may be one reason why that program has become popular.

SUB-CONCLUSION:

Grant management costs vary widely depending on a number of factors, but it is clear that substantial responsibilities are incurred by grant managers, particularly in difficult field

environments. Because A.I.D. systems require certain actions regardless of the size of the "project," grant management is objectively more of a burden than SCI office likes to portray. Steps have been taken to reduce these costs and, at the Mission level, positive suggestions for improvement have been made. Theoretically, and according to Handbook 13 requirements, grant management should be a fairly low cost affair, but it appears that some mission controllers and contract officers demand greater USAID involvement than others. Supplementary management guidance by SCI office would help to reduce costs and "routinize" administration as much as possible.

The "quality" of grant management depends largely on the knowledge and enthusiasm of the manager. SCI grant management is not a part of anyone's job description, but is more a labor of love. One technical officer regularly manages a portfolio of about ten grants, with a total value of over a million dollars. This officer remarked that SCI grant management is an enjoyable part of his work because it keeps him engaged with the substance of his science and uses his own scientific training more directly than do the large projects which he manages. Even "labors of love" can become tiresome and SCI needs to find more ways to insure that the quality of grant management in both A.I.D./W and in the field remains high.

Grant management is also a burden for the Science Office, the decentralized system not withstanding. Grant files are kept in SCI as well as "official" files in the S&T Program Office. A computerized data base has been set up and is regularly maintained. A sampling of files indicates that all grant files were systematically reviewed against a check off list during 1987. Missing documents were identified and located for the files. The burden of record keeping and file management falls on three persons in the office, the secretary, a program operations assistant and a senior officer who is highly expert in computerized data management. Of course grant management for SCI office employees goes beyond record keeping and they frequently get involved with more substantive issues. It is clear however that SCI has not focused as much energy on a more systematic approach to grant management as it has on the grant allocation process. The decentralized system of grant management has many positive features and should be retained. As with any decentralized system, however, it needs a strong core of system support and guidance which up to now, the SCI Office has had difficulty in providing.

6. PROGRAM MONITORING AND EVALUATION

Part of the core responsibilities of program management in a decentralized system is oversight and evaluation. It is through these processes that leadership knows whether the decentralized system is performing as planned, whether results are being achieved and broad policies are being followed. Grant programs require special attention, since the theory behind grants is a hands off approach to management. Thus evaluation becomes even more important.

The Science Office has approached the evaluation and monitoring issue in a number of ways. Project managers themselves are primarily responsible for monitoring progress. Now that many grants are terminating, project closeout procedures become important. In this regard, it is troubling to find that of the 132 completed grants, only 57 have final reports.

At a level of analysis above the specific grant the Science Office has taken several important steps towards evolving a satisfactory evaluation process. First, SCI commissioned a "desk review" of one group of projects by an experienced senior scientist and former A.I.D. program manager for S&T. Next, SCI asked the Agency's Research Advisory Committee to review all the modules and the operations of the program. Currently, the Office is on stage two of a three stage eighteen month long intensive evaluation process. The results of this evaluation will be both evidence and judgment about all aspects of the program, but with special emphasis on the impact, quality and long term institutional consequences of the grant programs.

ANALYSIS OF EVALUATION PROGRAM:

It is timely that an overall assessment of the quality and impact of the Science Office grant program is underway. The team's management assessment would have been strengthened immeasurably if some of this work had already been completed. Nevertheless, SCI has begun to benefit from the evaluation process through better organization of the files and computerized data base and through the opportunity to engage well qualified AAAS Fellow to conduct part of the evaluation. The evaluation protocols, data collection instruments and basic methodology have been well conceived and the Office has consulted with constituent elements in A.I.D. including CDIE for advice and guidance.

SUB-CONCLUSION:

The seven year old program is undergoing a thorough evaluation at the present time. However, the Office needs to assure a workable monitoring and evaluation system, rather than relying exclusively on episodic studies. Assuming that the outcome of the present ongoing evaluation is positive and that the Agency continues to support a science grants program, further attention must be given to instituting a program monitoring system which would allow the Science Office staff to constantly upgrade their awareness of progress of the grant program. The evaluation and monitoring system should incorporate positive elements of the peer review system.

7. DISSEMINATION OF RESULTS.

An obviously important element in the process of scientific inquiry and knowledge development is the extent to which results are shared through publications, and through scholarly colloquia.

An analysis was done of a sample of eleven of fifty four completed PSTC projects to determine how active the grantees were in publishing and disseminating results. The results are encouraging:

Publications in peer reviewed journals, books, etc.	68
Theses and dissertations	2
Papers delivered at conferences	43

This data suggests that PSTC grantees are active in scientific fora and that results are being disseminated. As a matter of policy the SCI office now requires that all grantees keep the Office informed of publications activities.

As part of their effort to keep A.I.D. informed, the Office regularly publishes a column in Front Lines, the A.I.D. in-house newspaper.

SUB-CONCLUSION:

From the evidence it appears that both grantees and SCI do a reasonably good job of disseminating results of the scientific inquiry.

B. The NAS/BOSTID Program

1. BACKGROUND

The grant agreement between A.I.D./SCI and the National Research Council of the National Academy of Sciences is administered by the Board on Science and Technology in International Development better known as BOSTID. This agreement authorized up to $40 million to be spent in support of programs and services relating to expansion of collaborative scientific inquiry on problems of interest to less developed countries and to a lesser extent the United States. The original 5 year grant was extended in 1983 to terminate in 1988, but was further extended to 1990. Requests for annual increments of funding for the grant are included in the Science Office's Congressional Presentation.

The distribution of funds available is as follows:

	Millions of Dollars
Research Grants	15.3
Networking	8.7
Core Support	11.0
	35.0
Mission "buy-ins"	2.5

In 1988 the Congress cut $2 million from the SCI office budget and directed that cut to the BOSTID program. Thus beginning FY 89, there will be only one source of new grant funding in the PSTC program. It has been decided to reorganize the program so that all new grants will be made by A.I.D. beginning in FY 1989.

2. ELEMENTS OF THE BOSTID PROGRAM

The BOSTID program contains a separately managed grant program supported by a high level of "networking" support from NAS. The grants program is a structured, focused and somewhat directive approach organized around specific research problems relevant to developing countries. BOSTID assists grantees in grant proposal preparation and provides considerable follow-up and guidance to the grantees. In this sense the BOSTID program is a more "corporate" approach to research than the PSTC program.

The Core support program has been used to fund the BOSTID peer review program, meetings of the Committee on Research Grants, which ultimately decides on grant allocation, and myriad other activities associated with grant administration by the six person staff. The BOSTID also has an impressive

publications program designed, for the most part, to bring rather practical reports on scientific developments to the attention of the larger development community. Some of these reports have become "best-sellers" with production runs of 50,000 copies. The process of selection is an interactive one between A.I.D. and BOSTID, with initiatives for studies coming from both parties.

With the termination of the Grants activity due to reduction of funds by Congress, BOSTID and SCI have begun a process of renegotiating the relationship between A.I.D. and the Academy which is exploring the possibilities of incorporating BOSTID into the PSTC program. This process is now underway and may be completed as early as April 1988.

ANALYSIS OF A.I.D.-BOSTID RELATIONSHIP:

One senior professional in SCI provides day to day management of the BOSTID program, but in fact the major parameters of the program have been set, and on occasion altered by interaction between SAA/S&T and the President of the National Academy of Science. The overall working relationship at all levels has been described as good by parties on both sides. As these relationships change with the renegotiation of the grant, some of the differences between the BOSTID and SCI approach to science grant programs may surface and cause tension. As a grantee and premier non-governmental science body, NAS will want to guard its freedom of action and program autonomy. The SCI office quite naturally feels its ISR program with its NIH style peer review system is best fitted to the original mandate of Congress in setting up the Science initiative.

The BOSTID program is a much more structured and directive program, the purpose of which is to focus research on knowledge gaps in a preselected problem or promising line of research. The PSTC program on the other hand is only loosely organized around such broad categories as biomass conversion. PSTC places far more emphasis on leading edge, innovative, high risk grant proposals with no pretense of funding an entire research regime. Interestingly, the BOSTID approach is much more congenial with the long term project approach of the Science and Technology Bureau than is the more free-wheeling ISR program. It may be appropriate for the Offices of Health and Agriculture to examine the possibility of integrating the more promising BOSTID research initiatives already underway in such areas as Acute Respiratory Infections in Children. These research networks do represent an asset of considerable value. This asset should not be abandoned without careful assessment of its future value to the development process.

SUB-CONCLUSION:

The SCI-BOSTID relationship has been positive and for the most part mutually reinforcing in the service of the shared goal of bringing collaborative science to bear on critical constraints to development while enhancing the capacity of LDC science institutions. The BOSTID program of networking and publications support is judged to be highly effective. These strengths should be harnessed to the purposes of the PSTC grant program. Moreover, the management by BOSTID of a peer review process more closely modeled on the present Science office system will permit the Science office to carry out other management, monitoring and evaluation functions more effectively than the office is now able to do. It is hoped that the negotiations between SCI and BOSTID will result in a strengthening of the United States' ability to retain its leadership in international science, and to more effectively influence science and technology research agendas to focus on critical problems of development.

C. The U.S.-Israel Cooperative Development Research Program (CDR-936-5544)

Initiated in 1985 as part of a larger U.S.-Israel effort to harness Israel's science and technology capacity with LDC institutions, the program funded 81 collaborative research projects in seven broad categories. Starting with the original $2 million Congress appropriated for U.S. Israel cooperation, the program has obligated $16 million for Israeli-LDC science cooperation to date. Program administration has been handled through the PSTC proposal review and grant management process. The unique features of the process for CDR has been greater flexibility with regard to subject matter and, in 1988, a decision to raise the grant limit to $250,000.

ANALYSIS:

The ability of the SCI office in 1985 to absorb and manage the CDR program suggests that the Office systems for announcement review and assignment of management responsibility are flexible and appropriate for handling a larger program. The termination of the program appears to be unrelated to the quality of the research activities or to the efficacy of SCI office management.

SUB-CONCLUSION:

The idea of Israeli scientific cooperation with LDC scientists is a good one, given the special experience and high quality of Israeli science. In managing the program SCI demonstrated the flexibility of the PSTC approach and its ability to take on new tasks in very short order. Whether A.I.D. needs to be involved in the management of scientific relationships between Israeli and LDC scientists is a question of higher policy, the answer to which has already been given.

V. Assessment of Other Functions

A. The American Association for the Advancement of Science Fellows Program (AAAS Fellows).

Recognizing the need to establish linkages between scientists and the development agenda at an early stage in their career, the Science Advisor developed this program in collaboration with AAAS. The first Fellow came on board in 1982. There are 10 Fellows serving FY 1988, of whom five are in the regional bureaus. Of the Fellows who have left the program, at least five have continued to be employed by A.I.D. either as Direct Hire or contract employees. Only one of the current Fellows is funded by the PSTC budget; the others are funded from the program budgets of the bureau to which the Fellow is assigned. There are requests for 19 Fellows for the FY 1989.

ANALYSIS:

Interviews with Fellows and with their supervisors indicate a high degree of mutual satisfaction with the Fellows program. At relatively low cost, A.I.D. enjoys extremely high quality scientific talent at a time when issues requiring current knowledge of rapidly changing scientific methodologies are becoming more important for Missions and Regional Bureaus. Fellows did indicate that they jealously guarded their role as Science Fellows. Having the SCI Office and Advisor as a point of contact and support was deemed important to maintaining the special status of this unique program.

SUBCONCLUSION:

The AAAS Fellows program has been surprisingly successful, reflecting a latent demand in the A.I.D. operational system which heretofore had been unmet. So long as the special status of these Fellows can be preserved the team believes the program should enjoy the support of the Agency.

B. Other Advisory and Support Functions

The Functional statement for the Science Office requires the Office and the Advisor to provide leadership to the Agency on matters of Science Policy, to coordinate US sponsored research on matters related to development, to identify and advocate new areas of research and to perform a wide range of advisory and liaison functions with regard to the A.I.D. role in a variety of national and international scientific networks and establishments.

With regard to coordination and the identification of promising research opportunities, the PSTC program has been used by SCI to develop one of the most extensive network of contacts throughout A.I.D. of any technical office in A.I.D.. The organization of the peer review process and the constant interaction with the NAS/BOSTID program further broadens the SCI office network with the science community. The AAAS program enhances this interaction by infiltrating highly qualified young scientists into the operational bureaus and missions. Many of these Fellows serve a dual role of advisor and "educator," particularly with regard to the rapidly changing role of biotechnology in the "life" and agricultural sciences.

Through core support to BOSTID, the SCI office has made available the considerable talent pool of the NAS to other parts of A.I.D.. There have been 16 "buy-ins" from other A.I.D. offices totalling nearly $2 million. For example, BOSTID has provided support to the Thai mission's S&T for Development project, the U.S. India S&T Initiative, the Egyptian ASRT project and other mission based science activities.

Staff of the SCI Office have participated in the development of S&T strategy efforts, Mission based S&T assessments and on Mission funded evaluations of science related bilateral projects.

ANALYSIS:

At the level of the SCI office professional staff, it appears that various grant programs have had the additional consequence of providing the rationale and access points for continuous interaction between scientific and program oriented communities within and outside of A.I.D.. While there has been some evidence that this has resulted in the expansion of a program support and advisory role for the Office, the limitations on staff and the demands of the grant review and allocation process have been so great that the SCI staff have been unable to do more than ad hoc efforts in this regard. It is expected

that one of the issues to be addressed by the upcoming negotiations between SCI and NAS is how best to have BOSTID become more aggressive and pro-active with respect to providing a broader range of advisory and support services to the field missions.

The Senior Advisor and policy leadership role in A.I.D. and between A.I.D. and other science entities, has been more visibly played by the Senior Assistant Administrator for Science and Technology than by the Science Advisor. This is not to say that the Science Advisor has not been active in this regard, nor that there has been significant conflict between them. It is fair to say that the present Science Advisor has focused his activity in the arena of technical scientific leadership such as in the Biotechnology task force. The SCI office and the SCI Advisor have contributed to the SAA's ability to perform a leadership role and it is clear the SAA values the access and involvement which the SCI office provides him.

SUB-CONCLUSION:

The basis for an increasingly pro-active technical advisory and support role for the SCI office has been created. There is increasing evidence that there is mission demand for such services, although SCI's ability to become a central supplier of support services has been limited, one possible arena for growth would be for SCI to develop a cross-cutting science support-advisory program. However, many, believing that SCI's justification as a separate entity is based solely on its grant program, would argue that this function of mission support may be more appropriately performed by the S&T Bureau consistent with mission support programs already run by S&T. These services can be structured in such a way that they reinforce rather than compete with traditional sectoral emphases of the current S&T Bureau portfolio. On the other hand, S&T's present sectorally focused support program makes it difficult to find an organizational home for a function with cuts across the various sectors.

The Policy Advisory and leadership function in A.I.D. and among US science institutions with interest and capacity in development related research is one of growing importance for A.I.D.. Strong, pro-active leadership is needed to use more effectively A.I.D.'s considerable development talent, but limited financial and scientific resources, to influence the larager U.S. science agenda toward development purposes. A.I.D., with the proper strategy and institutional focus, should be able to leverage other science establishments into focusing on the subset of problems associated with developing countries.

VI. Staffing and Organizational Location of Functions

A. Staff

The SCI Office has a current staffing assignment of 5.8 full time equivalent positions. These include three senior GS-15 scientist/administrators, two program operations assistants and one secretary. The Science Advisor and Director of the office is on an Intergovernmental Personnel Act (IPA) appointment and does not count against the FTEP ceiling: nor does the Program Officer, an experienced FSO in a "Deleted" position, the Assistant Program Officer who is on the Foreign Service Complement, and the AAAS Fellow who is supported by the PSTC program. Thus the total "de facto" staff of the SCI office is 9.8 persons. By FY 89 this will be back down to 7.8 with the departure of the two FSO's.

ANALYSIS:

Staff organization is suitably flexible; the organization chart being an uncomplicated empty box. All personnel have clearly defined functions, however, and there appears to be a high degree of commitment and morale in the office. The mix of scientific experience and bureaucratic savvy is an effective one. Moreover, the presence of skilled FSO program officer in the office has positive benefits.

B. Organizational Location

The functions of the SCI office could be disaggregated and assigned to other existing units in the Agency. For example, the AAAS Fellows program could be managed by the Personnel Office's Management Training Division, the PSTC-NAS relationship (the exact future of which is of course still unclear) by the Science and Technology Bureau and the Advisory and Leadership in Science function by Senior Assistant Administrator, or, if meta-Bureau presence was required, an Office of Science Advisor could report directly to the Agency Administrator, rather than through the SAA for S&T.

Another possible change would be to move the entire enterprise into the S&T Bureau. This would simply formalize what people not too familiar with the Office believe is now the case.

ANALYSIS

Since organizational change is always disruptive and, in the first instance, reduces efficiency, the benefits must obviously outweigh the costs. At the present time the SCI

office enjoys the administrative and logistical support of the S&T Bureau. SCI Office leadership does not seem to chafe under the delegations of authority which leave most of the signature authority in the position of the SAA/S&T. This may be because both the SCI Advisor and the SAA/S&T have a very positive working relationship.

The benefit of a separate but closely linked SCI Office is that it is able to present and defend to Congress a program of science support which is different from and additional to the resources provided to the S&T Bureau. It occupies a special niche in the development program. Given the sectoral organization of the S&T bureau, were SCI to be a part of the S&T bureau it is unlikely that the PSTC program would survive internal budgetary battles. It is more likely that it would be changed to more closely relate these monies to mission programs. A second benefit to a separate existence is that it provides a modicum of visibility of A.I.D.'s commitment to and interface with the broader science community. To the extent that A.I.D. leadership and the Congress desire that interface, a separate office seems appropriate.

Locating the function of Science Advisor in a direct line with the A.I.D. Administrator is attractive and might well enhance the "Advisory" role of the incumbent. There are drawbacks, however, to separating the advisory function from the project management function. Having a program budget, however small, does give the SCI office the basis for supporting and initiating innovative programs such as PSTC and the AAAS Fellows program. If the PSTC program were to be terminated, the rationale for a separate Science Office would substantially disappear.

SUBCONCLUSION:

The evidence indicates that the SCI office effectively manages it current program, has high morale and has begun to demonstrate the capacity to evaluate and reassess its relationship to the Agency and to its function. While changes in location, quantity and mix of staff may be appropriate in the future, that decision should await the outcome of the current impact evaluation and the negotiations with NAS/BOSTID. Moreover the relationship between SCI and S&T has reached a steady and at present mutually reinforcing state. No Senior Officer in S&T strongly advocated change at this time, and many felt the relationship was about right. Thus there appears little compelling reason to change the situation, but the role, organization and function of the SCI office should be reassessed at the beginning of the Fiscal Year 1990. The Administrator would be well served by appointing an advisory committee of senior A.I.D. officials and members of the science community to direct such a reassessment and make recommendations.

VII. Final Conclusions

A. Is the Office of Science Advisor Achieving Its Stated Objectives?

The team concludes that:

- The objective of developing and managing an innovative program of small grants of collaborative science has been achieved.
- The objective of broadening and deepening the interaction between A.I.D. and the Science community has been partially achieved; a strong basis for expanding that role is in place.
- The function of providing policy advice and leadership has been partially achieved but in a low key fashion. This role has been more clearly assumed by the SAA/S&T Bureau.

B. How Can These Objectives Be Achieved More Efficiently?

- By negotiating a new relationship with NAS which more closely harnesses that institution's considerable capacity to the purpose and style of the PSTC program.
- By SCI focusing greater attention on systematic management support (including better grant monitoring and evaluation systems) to A.I.D. bureau and field mission grant managers.
- By A.I.D. devising more active programs of science support for field missions to assist them in the development and implementation of science strategies.

C. In the Light of Funding and Personnel Limitations Do the Objectives Remain Valid?

The issue of whether the objectives of the Science Office remains valid depends on much more than available funding and staff. At the current level of funding, the office staff is appropriate. Both are adequate to carry out the purposes of the program. Should funding for the PSTC program be eliminated by Congress, then the main purpose of a separate SCI office would disappear. A.I.D. might wish to retain a Science Advisor under those circumstances, with a small budget to permit some program flexibility.

When discussing this issue, it is important to keep in mind the origin of the PSTC. It was the product of Congressional interest in a more active US role in supporting third world science, and in collaborative research between US and LDC scientists. Congress established an "earmarked" account to support that purpose, but rejected the proposed new

institutional apparatus of a totally separate organization. The much more modest Office of the Science Advisor was established to implement that program which draws on A.I.D. for logistic and management support. Therefore in the instance of the Science Office, the legislative history and current Congressional interest is a determining factor in answering the question of program validity.

Regardless of how well managed the program may be, there is disagreement among team members as to the validity of continuing the program. One member of the team would terminate the program, whatever the results of the evaluation. He acknowledges that research is important, and that some of the research funded by this program may achieve significant results. With greatly augmented funding and personnel levels for A.I.D.'s activities, he would not oppose the continuation of the program. However, given current and projected funding and personnel levels, he believes that "trade-offs" must be ruthlessly analyzed, and in so doing, he concludes that this largely unfocussed, pure research activity comes up wanting. He supports the applied research of the S&T Bureau which is directed to A.I.D.'s program activities, and the research activities and projects which are developed by missions to achieve program objectives, but he believes that the SCI program of random research is a "luxury" which the Agency can no longer afford. Another member concluded that the PSTC program was a good thing but should perhaps be run by NAS with A.I.D. funding. A third view was to await the results of the ongoing evaluation before any decisions are made regarding PSTC. While agreeing with the third view, that the results of the evaluation are important for making a decision on the PSTC program, one member concluded that A.I.D.'s investment in US-LDC science collaboration should be an important part of A.I.D.'s development role, and likened the PSTC program to a science "venture capital" fund. If successful, these projects should be followed by mission based programs backed up by A.I.D./W support systems.

Perceived through a different conceptual prism, the Science Office began its life as an "add on" to A.I.D., with purposes quite different from those of the main stream A.I.D. programs. Over the seven year life of the Office, the PSTC has begun to be perceived as an asset by many missions and in the regional bureaus. While this is by no means a homogeneous view, certainly countries in Asia and more recently in Latin America have taken good advantage of the program. As A.I.D. looks for ways to relate to Advanced Developing Countries the SCI program may well offer one approach.

MANAGEMENT ASSESSMENT

OFFICE OF SCIENCE ADVISOR

APRIL 1988

Richard N. Blue
Irwin A. Levy
Robert Pratt
James A. Graham

Office of Science Advisor

EXECUTIVE SUMMARY

I. Program Description

The Office of Science Advisor (SCI) was established in 1981 both to advise the Administrator and A.I.D. on a broad range of science and development issues and to manage several programs of small grant support to U.S. and developing country scientists.

The research program administered by SCI is funded separately from the mainline activities of the Science and Technology Bureau. While loosely focused on problems of interest to A.I.D., such as biomass conversion or biological diversity, the grants have been awarded based on criteria of innovative "high risk - high gain", start-up types of research activities and have gone to research collaborators in 42 countries. While a significant number of missions now support the program, it operates outside mission development strategies.

SCI is also the focal point for A.I.D.'s most systematic relationship with the National Academy of Science's Board on Science and Technology in International Developement (BOSTID). SCI monitors the more directive and structured A.I.D. funded research program organized by the BOSTID. The relationship between the SCI and BOSTID program is currently under discussion.

Since its establishment in 1981, SCI has managed about $85 million devoted to research grants and developing country science support activities. A major evaluation of the program is underway and will be completed in 1989.

II. Management Assessment Conclusion

A. Is the Office of Science Advisor achieving its stated objectives?

- The team generally concluded that the objective of supporting innovative research had been achieved, while the broader role of science advice and leadership had been partially achieved.

B. How can these objectives be achieved more efficiently?

- The team concluded that while overall management of SCI's programs was of high quality, there was room for improvement in the monitoring of grants, and more

could be done to reduce management overhead and to provide support and training services to science collaborators. The current relationship with NAS/BOSTID is under negotiation and better integration of NAS's capabilities with A.I.D.'s objectives should strengthen the program.

C. In the light of budget and personnel constraints, do the objectives remain valid?

The team did not reach agreement on this issue. One member concluded that regardless of the outcome of the evaluation, support for this program should be terminated as a "luxury A.I.D. can no longer afford." Two team members believed that this was an issue which should await the conclusions of the evaluation and the restructured relationship with the NAS. The fourth member concluded that the program objectives remained valid and that A.I.D. support for this type of U.S.-LDC collaborative scientific research should be expanded, particularly with respect to advanced developing countries.

Whatever the fate of the SCI Office, the role of A.I.D. in the larger world of development related basic and applied science needs a major examination and a clear statement of overall strategy.

I. Background

The Office of Science Advisor (SCI) was established in 1981 to administer a new Congressionally mandated Program of Scientific and Technology Collaboration (PSTC) between the U.S. and scientists in less developed countries. Congress in that year authorized $12 million to carry out that purpose.

A major portion of the PSTC was a competitive research grants program, directly administered by the Office of the Science Advisor. Organized as a project called, Innovative Scientific Research (ISR - 936-5542), it has an authorized amount of $35 million through 1987, with annual requests to Congress hovering at $5 million.

Also in 1981, the Agency provided a grant to the National Academy of Science (NAS) to develop and administer a program of research networks engaging LDC institutions in directed research programs on subjects of interest and relevance to LDC problems. The authorized amount through FY 88 was $36 million, with annual funding at $4 million. This grant is under the Applying Science and Technology to Development project

(936-5538) and will expire in 1990. In its 1988 report, the Congress limited funding to NAS to no more than $2 million this year, unless the amount exceeding $2 million was matched by other sources.

In 1985 a third major activity was developed in response to a Congressional request to implement a new program of collaborative science and technology projects between Israel and developing countries. Through FY 87 almost $12 million in grants have been committed to this effort under a U.S.-Israel Cooperative Development Research (CDR) Program (936-5544). Beginning in FY 1989, the program, renamed the U.S.-Israel Cooperative Development Program will be changed to a grant by A.I.D. to the Government of Israel foreign aid agency. The new program will emphasize training and technical assistance, but is likely to fund some research efforts as well.

In addition to the above major programs, the Office has administered a program between A.I.D. and the American Academy of the Advancement of Science (AAAS). This program brings young research fellows to A.I.D., serving in most respects as science consultants to offices in A.I.D./W. The program is coordinated by the Science Advisor, although individual requesting offices provide necessary funding. Begun in 1982 the program has placed 31 fellows in A.I.D. offices each for a one year period.

II. Focus of This Report

This report is but one of nine studies requested by Congress in FY 1988 focusing on the validity and management effectiveness of key A.I.D. central offices. The Continuing Resolution and Committee Report stated that it wanted to know whether A.I.D. offices are achieving stated objectives, how those objectives might be achieved more efficiently, and whether, in the light of funding and personnel limitations, the objectives remain valid, and how well offices in A.I.D. Washington provide effective support for missions in the field.

Because the Office of Science Advisor is somewhat unusual among the nine selected to be studied, a few sentences about the relevance of the general terms of reference are necessary.

The Science office programs are not designed necessarily to provide support to A.I.D. field missions. The general purpose of the three programs has been to fund scientific research involving LDC scientists collaborating with advanced country scientists on problems of relevance to development. While the three programs differ markedly in style and content, they have this in common. They are also inviestigator initiated and peer reviewed. As such, they involve a grant

monitoring rather than contract management style of administration. The projects may be funded in countries where there is a very limited A.I.D. presence (Mexico) or where the A.I.D. mission has only a very limited interest in developing programs of support for scientific research (e.g. Burma).

Nevertheless, SCI will not approve projects without the concurrence of the A.I.D. field mission, and SCI makes an effort to engage the field mission in the management of the program. Therefore while not a criterion of success it is nevertheless appropriate to examine the attitudes of the missions toward the SCI office programs and to highlight some of the positive and negative effects of this relationship. This will be addressed in detail in section IV.5 of this report.

III. Stated Objectives of the Office of Science Advisor

There are two elements to the Statement of Functions. One pertains to the Director of the Office, who serves a special role as Science Advisor, the other pertains to the function of the Office (SCI) as it relates to the programs it manages and to science and technology activities both in and outside A.I.D..

A. The Science Office

The functional statement requires that the Office:

- provide leadership to A.I.D. and IDCA on matters relating to Science Policy.
- coordinate U.S. government sponsored research related to applications of science and technology to development
- be knowledgeable about worldwide research and monitor A.I.D. funded research to ensure consistency with overall strategy
- be aware of new problems and recommend new avenues of research which might engage U.S. science
- oversee development of a "small portfolio of innovative programs of research or other forms of science and technology cooperation beyond those undertaken or planned by other elements of the Agency." Stress is placed on innovative approaches aimed at key bottlenecks to development.

As the report will demonstrate, the small portfolio of innovative programs is the most significant emphasis of the Science office staff.

B. The Science Advisor

- advises the Director of IDCA and the Administrator of A.I.D. on policy matters relating to science and technology

- serves as senior advisor on science and technology matters involving the bilateral program.
- serves as liaison to and represents A.I.D. on a wide variety of national and international science fora, and represents A.I.D. before Congress and the public to explain the importance of science and technology in solving development problems
- directs and supervises the Office and its programs.

All reporting relationships are through the Senior Assistant Administrator for S & T. All authorizing and obligating documents must be signed by the Senior Assistant Administrator or delegated officials in the S & T bureau. The Office of Science Advisor relies heavily on the S & T Bureau for staff, logistics and administrative support. Nevertheless the Science Advisor sits on the A.I.D. Senior staff and the Office independently submits its request for funds as a separate office in the Congressional Presentation.

For purposes of this assessment, the objectives of the Office are reduced to three:

1. the development and management of small grant programs to support innovative scientific research
2. coordination and oversight functions with other national and international science programs and activities
3. provide leadership and advise on matters of science and technology policy and programs to the Administrator and to A.I.D. in general

This report focuses on the management effectiveness of the Office within the framework of the terms of reference mandated by the Congress. It does not deal with the scientific quality or relevance of the research funded by the office. It does assess the procedures by which the office takes those concerns.

IV. Assessment of the Grant Programs

A. The Program for Science & Technology Cooperation

1. BACKGROUND

The Innovative Scientific Research grants program is now the major grant program directly managed by the Science office. PSTC includes: (1) Innovative Scientific Research (5542), (2) Strengthening of Capacity (5542), (3) Applying Science and Technology to Development (5538), and (4) CDR (5544). From 1981 through 1987 approximately $36 million dollars had been obligated for 385 specific projects in forty-four developing countries where there is or has been some A.I.D. presence. Of the countries with the strongest programs, Thailand stands out as the most successful with 41 projects

since 1981. Other countries which have made good use of the program include Nepal, the Philippines, Sri Lanka, Mexico and Guatemala. Peru is rapidly emerging as the second most active program participant with cumulative total of 14 grants through 1987.

The program makes rapid use of funds, with disbursements through 1987 totalling approximately $23 million. At the middle of FY 88, 132 projects had reached their terminal date, although final documentation had been received on only 57 grants.

2. STANDARDS FOR THE INNOVATIVE PROGRAM

As the program has matured, knowledge of the ISR program now appears widespread and proposal guidelines are clearly understood, particularly in high use countries such as Thailand and Peru. ISR program announcements have become increasingly clear and focused on the six predetermined research modules. These modules are:

1. Biotechnology and immunology in human and/or animal systems
2. Plant Biotechnology
3. Chemistry for World Food Needs
4. Biomass Resources and Conversion Technology
5. Biological Control of Human Schistosomes and of Plant Crop Viruses
6. Diversity of Biological Resources

Program announcements make it clear that proposals will be judged according to:

1. Scientific merit/quality
2. Relevance to international development
3. Innovation
4. Potential to enhance the capacity of developing countries to conduct innovative research.

A review of project files over the eight year period shows a progressive evolution of research focus by potential grantees, although as might be expected scientists making proposals from least developed countries and from those countries where English is not as widespread still have difficulty meeting the standards set out in the announcements.

3. SOLICITATION OF PROPOSALS

Response to SCI office ISR announcements has been very high, rising to over 600 "pre-proposals" per annum in 1985. The Science Office found this level of response too high, and has endeavored to bring down the number of pre-proposals, now stabilized at approximately 400 per year.

The number and distribution of pre-proposals received in the Science Office does not conform to any single explanation. Analysis of proposals received from the Latin American region shows Mexico leading the field with 313 submissions, while Brazil with an equally strong scientific establishment submitting only 50 proposals. Peru, a relatively poor country has submitted 98 proposals in contrast to Ecuador with 39, of which 23 were submitted in one year.

While a more lengthy investigatión might reveal some underlying predominant factors which promote a high rate of knowledge and activity around the offer of the PSTC grants, at present it appears that a combination of factors are operating. These include:

- as regular development budgets decline, mission interest increases in other assets available to them from central programs
- the enthusiasm and support of the USAID mission or, in the Mexico case, the A.I.D. Representative
- the existence of scientific talent and reasonably sophisticated scientific institutions in the LDC
- previous scientific training in and connections with US research scholars and institutions.
- interest of US scientists and science institutions in conducting research on problems affecting LDC development
- the variability of the country ecosystem attracts scientific interest as in the case of Peru.

Regarding US interest, it is noteworthy that 113 of the Principal Investigators are located in US institutions. Since the first year or two of the ISR program, the balance has shifted to a distribution in which two thirds of the grants are made to LDC's and nearly all grants involve a significant degree of interaction between the US and the LDC scientist.

SUB-CONCLUSION:

The Science Office has developed a basically effective system for advertising and solicitation of grant proposals. Faced with an embarrassment of riches, they have wisely cut back on active promotion proposals. Yet, since the purpose of the program is to promote new and innovative approaches, it does not permit grant renewals or long term financing of mature research regimes. Thus the Office must continue to place emphasis on stimulating new potential grantees. From the evidence it appears clear that having active support of USAID mission staff is one means by which this can be done.

4. THE GRANT SELECTION PROCESS

The Grant Selection Process, including ISR and CDR, is well articulated and effectively managed. It does however, consume 75% or more of the staff's time, according to estimates of professionals in the Office. This may be appropriate, since the heavy emphasis on a carefully structured peer review process is the most important way to insure quality, and to promote institutional capacity in the LDC. Through the peer review process the potential grantee receives valuable feedback and becomes accustomed to constructive and objective criticism from peers. That the competition is international is an added fillip to the successful grantee. As a Nepali scientist wrote upon hearing that his proposal had been selected, "I would consider A.I.D. funding as the milestone of my career."

USAIDs have the opportunity to screen pre-proposals before forwarding them to A.I.D., although not all missions do this. Another feature of the grant selection process is the large number of scientists involved both within A.I.D. and the science community interested in international development.

The peer review is organized into two formal reviews, one at the pre-proposal stage and one at the "full proposal" stage. When pre-proposals reach Washington, they are distributed to the heads of sector councils for screening. Some Agency Directors engage other experts, others do not, but in all likelihood the pre-proposal screening process involves about forty-five A.I.D. professionals in S & T and in the regional bureaus. After pre-proposals have been screened and many rejected, some 140 full proposals are invited. When these arrive, the Science office organizes panels of outside experts who agree to volunteer their time to review the proposals.

The most recent proposals were reviewed by 142 outside scientists who gathered for three days in October 1987 at the National Academy. All of these people volunteer their time. Each panelist reviews two proposals and panelists join in final recommendations and rankings.

After the peer review panel makes its recommendations, a letter goes from SCI to the grantee. Frequently this letter contains explicit provisos which the grantee must satisfy before the award is given. The researcher's response is reviewed within A.I.D., by a senior staff member of the Office of the Science Advisor and the designate project officer or the Technical Support person assigned to backstop a mission based project. A review of the files indicates that failure to satisfy the terms of the provisos can and does lead to rejection of the proposal. If all is satisfactory, a contract

ordering document is prepared which incorporates the provisos and, subject to a financial review by the contract office and availability of funds, the grantee is on his or her way.

ANALYSIS OF PEER REVIEW PROCESS:

The process is well organized, with clearly developed protocols and evidence of well thought out preparation designed to encourage maximum participation and high quality results. In addition, outside reviews are done with minimal cost to the Agency. But there are costs and drawbacks to the process. It does absorb the bulk of two professional person years in the SCI office to manage this process, and engages all of the limited staff for a substantial portion of time. It does rely on volunteers, hence one has to depend on whom one can get and who lives within the region. The Washington area is blessed with an abundance of high quality scientific personnel, but the ability to institutionalize the process is limited by the voluntary nature of it. Some reviewers suggested in interviews that while they enjoyed participating in the process, and file letters indicate a high willingness to repeat, there is also a feeling that this review is in part an "eleemosynary" gesture and not quite as serious as their participation in, for example, NIH or NSF reviews.

Another observation made by some reviewers was that the balance of objectives which include the developmental and capacity building purposes, tended to force some tradeoffs between those goals and the criterion of "good science." Finally because of the need to achieve some distribution between and among modules and countries, a number of high quality proposals are rejected.

SUB-CONCLUSION:

It is fair to say that the review process is as exhaustive and detailed as possible given staff time and resources available. A more expensive process using honoraria and travel funds to support a broader network of reviewers might produce better results and could be more easily institutionalized at lower direct management cost. On the other hand, the current system has the important benefit of widespread engagement of A.I.D.'s scientific and technically trained staff, and it puts the SCI office into direct contact with a wide array of Washington area scientific institutions, and, hence, increases A.I.D.'s knowledge of and visibility to the larger scientific community. Any changes in the management of the Peer Review Process should retain this important benefit.

5. THE GRANT OVERSIGHT PROCESS

While A.I.D. regulations do not require "management" of grants in the sense of contract oof project management, officers who accept responsibility for ISR grants do in fact get involved to a greater or lesser degree. The term monitor is closer to the formal role, but management will be used to refer to the de facto process. Once awards are made the grant management becomes widely decentralized throughout the Agency, and in the field. Substantive grant management is located in one of three possible offices. First, SCI maintains control over a few grants. Second, and the most preponderant choice in the early stages of the program, a grant manager is found in the Science and Technology Bureau or in the Regional Bureaus. Third, grants are managed in the USAIDs. When the USAID manages a grant, a Technical Backstop person is officially designated in A.I.D./W, usually in the S & T bureau.

Interviews with grant managers indicate a wide divergence of views with regard to the value of the program, although on balance the people who take on this responsibility do so because they believe in the program and enjoy participating in it. For some however it is clearly a burden which they would rather not have, and one has to question in these situations how much management is actually provided. Negative experiences were more frequently reported from mission than from central and regional bureaus. This was true even for those missions which, on balance, saw merit in the program.

The quality of grant management in A.I.D./W, both in S & T and in the regional bureaus was mixed, but on balance very good. Of six managers interviewed, five kept their own files, followed up on correspondence, reviewed reports and demonstrated substantial familiarity with the grants under their purview. One manager stated he did not have time to pay much attention to his PSTC portfolio. Time spent on SCI office grant management was as high as ten percent per annum for officers who seriously manage as many as ten grants. The principal difficulty all A.I.D./W managers described was their inability to find ways to visit the project sites, even as add-ons to other official travel.

To expand the data base for determining how much of a burden to the missions the program actually has become, the team analyzed mission responses to a world wide omnibus request for mission information and views on, inter alia, the Science Office programs. Sixty-three missions responded to this request, many with well thought out comments regarding PSTC program activities. Three missions made negative comments about the management burden but only two concluded firmly that the PSTC program was not worth the effort. Another mission's

negative view expressed in the cable was undercut by the Mission Director's personally strong endorsement of the program when interviewed in Washington and, his estimate that the management burden was less than one half of the time of one FSN employee.

On the positive side of the ledger, ten missions indicated strong positive support for mission involvement in the grants program. These missions see the program as a small, but important, device to stimulate indigenous research in the LDCs, to strengthen US-LDC linkages through collaborative science, and a means by which the USAIDs broaden their own network of contacts. One Mission Director observed that many of the grants went to scientists who had been originally trained in the U.S., and the grant program permitted them to apply their skills in a collaborative research arrangement that would not otherwise be funded by the host government. Several of these missions did observe that efforts should be made to reduce the degree of administrative oversight necessary for these grants.

Another set of ten missions expressed generally positive views, but were judged, on balance, to take a more neutral stance with regard to the overall importance of the program to mission strategy.

More surprising than the low rate of negative comment from the field was the high level of no comment. Thirty nine of sixty-three missions reporting had nothing to say about the programs, although two of those missions, Kenya and Guatemala are or have been fairly active participants. This would suggest that it is possible to run a Science Office program in a country without much involvement of the USAID. The evidence of Brazil and Mexico, with four grants each, would indicate that a lonely A.I.D./Rep is able to work out a management system for handling the grants.

Clearly "management burden" is a relative and highly subjective phenomenon. Missions enthusiastic about the program and which see it as an asset work out the management system appropriate to the benefits. Missions who do not perceive the program as relevant tend to make more of the management burden. Even enthusiastic supporters of the program state that the SCI office tends to underplay the amount of mission management attention needed.

ANALYSIS OF MANAGEMENT:

Based on a review of files, and discussions with actual grant managers as opposed to Mission and office leaders, the following hypothesis seems to have some support. The objective

management requirements for servicing a science grant are highest when the grant is to an inexperienced Principle Investigator located in an LDC with poor communications and weak institutional support. The management burden is lowest when the PI is a US scientist working with an experienced LDC collaborator in a relatively accessible country. In this case the grant manager is usually found in the S&T Bureau and has easy access to A.I.D. and SCI office support systems.

The requirements of grant management varies greatly as suggested above. It includes helping the scientists travel, certifying vouchers, making advances and reimbursements, helping clear equipment through customs, interacting with the Science office on grant review and amendment processes and sometimes having to intercede in institutional squabbles which threaten the orderly progress of the research. Even the matter of financial accounting and management was a serious problem for mission Controllers who, until last year, had to keep separate accounts for SCI grants operating in their countries. Under a new system proposed and instituted by FM, financial management of grants at the mission level is fully integrated into mission accounting and disbursement systems.

Because the grants are small, ranging from as low as $10,000 to $150,000, A.I.D. and USG accounting and control systems may seem excessively expensive. One solution missions have found is to use FSN staff to provide grant management. This appears to have worked very well in Thailand and in Nepal. Another suggestion from one mission is for the SCI office to develop a "SCI Grant Mini-Handbook:" which would distill for missions the most effective management devices of the program. Finally it would greatly facilitate management if both SCI staff and technical backstop personnel from A.I.D./W could visit grantees at least once during the three year term of the grant, mainly in conjunction with other official travel.

In A.I.D./W grant management is relatively less troublesome, although interviews with regional bureau personnel discovered some concern that the work load associated with grant management was becoming a burden. One officer, now managing five grants, said that he was going to have to say "no" to anymore. Interestingly SCI grant management has been assigned to AAAS Fellows and may be one reason why that program has become popular.

SUB-CONCLUSION:

Grant management costs vary widely depending on a number of factors, but it is clear that substantial responsibilities are incurred by grant managers, particularly in difficult field

environments. Because A.I.D. systems require certain actions regardless of the size of the "project," grant management is objectively more of a burden than SCI office likes to portray. Steps have been taken to reduce these costs and, at the Mission level, positive suggestions for improvement have been made. Theoretically, and according to Handbook 13 requirements, grant management should be a fairly low cost affair, but it appears that some mission controllers and contract officers demand greater USAID involvement than others. Supplementary management guidance by SCI office would help to reduce costs and "routinize" administration as much as possible.

The "quality" of grant management depends largely on the knowledge and enthusiasm of the manager. SCI grant management is not a part of anyone's job description, but is more a labor of love. One technical officer regularly manages a portfolio of about ten grants, with a total value of over a million dollars. This officer remarked that SCI grant management is an enjoyable part of his work because it keeps him engaged with the substance of his science and uses his own scientific training more directly than do the large projects which he manages. Even "labors of love" can become tiresome and SCI needs to find more ways to insure that the quality of grant management in both A.I.D./W and in the field remains high.

Grant management is also a burden for the Science Office, the decentralized system not withstanding. Grant files are kept in SCI as well as "official" files in the S&T Program Office. A computerized data base has been set up and is regularly maintained. A sampling of files indicates that all grant files were systematically reviewed against a check off list during 1987. Missing documents were identified and located for the files. The burden of record keeping and file management falls on three persons in the office, the secretary, a program operations assistant and a senior officer who is highly expert in computerized data management. Of course grant management for SCI office employees goes beyond record keeping and they frequently get involved with more substantive issues. It is clear however that SCI has not focused as much energy on a more systematic approach to grant management as it has on the grant allocation process. The decentralized system of grant management has many positive features and should be retained. As with any decentralized system, however, it needs a strong core of system support and guidance which up to now, the SCI Office has had difficulty in providing.

6. PROGRAM MONITORING AND EVALUATION

Part of the core responsibilities of program management in a decentralized system is oversight and evaluation. It is through these processes that leadership knows whether the decentralized system is performing as planned, whether results are being achieved and broad policies are being followed. Grant programs require special attention, since the theory behind grants is a hands off approach to management. Thus evaluation becomes even more important.

The Science Office has approached the evaluation and monitoring issue in a number of ways. Project managers themselves are primarily responsible for monitoring progress. Now that many grants are terminating, project closeout procedures become important. In this regard, it is troubling to find that of the 132 completed grants, only 57 have final reports.

At a level of analysis above the specific grant the Science Office has taken several important steps towards evolving a satisfactory evaluation process. First, SCI commissioned a "desk review" of one group of projects by an experienced senior scientist and former A.I.D. program manager for S&T. Next, SCI asked the Agency's Research Advisory Committee to review all the modules and the operations of the program. Currently, the Office is on stage two of a three stage eighteen month long intensive evaluation process. The results of this evaluation will be both evidence and judgment about all aspects of the program, but with special emphasis on the impact, quality and long term institutional consequences of the grant programs.

ANALYSIS OF EVALUATION PROGRAM:

It is timely that an overall assessment of the quality and impact of the Science Office grant program is underway. The team's management assessment would have been strengthened immeasurably if some of this work had already been completed. Nevertheless, SCI has begun to benefit from the evaluation process through better organization of the files and computerized data base and through the opportunity to engage well qualified AAAS Fellow to conduct part of the evaluation. The evaluation protocols, data collection instruments and basic methodology have been well conceived and the Office has consulted with constituent elements in A.I.D. including CDIE for advice and guidance.

SUB-CONCLUSION:

The seven year old program is undergoing a thorough evaluation at the present time. However, the Office needs to assure a workable monitoring and evaluation system, rather than relying exclusively on episodic studies. Assuming that the outcome of the present ongoing evaluation is positive and that the Agency continues to support a science grants program, further attention must be given to instituting a program monitoring system which would allow the Science Office staff to constantly upgrade their awareness of progress of the grant program. The evaluation and monitoring system should incorporate positive elements of the peer review system.

7. DISSEMINATION OF RESULTS.

An obviously important element in the process of scientific inquiry and knowledge development is the extent to which results are shared through publications, and through scholarly colloquia.

An analysis was done of a sample of eleven of fifty four completed PSTC projects to determine how active the grantees were in publishing and disseminating results. The results are encouraging:

Publications in peer reviewed journals, books, etc.	68
Theses and dissertations	2
Papers delivered at conferences	43

This data suggests that PSTC grantees are active in scientific fora and that results are being disseminated. As a matter of policy the SCI office now requires that all grantees keep the Office informed of publications activities.

As part of their effort to keep A.I.D. informed, the Office regularly publishes a column in Front Lines, the A.I.D. in-house newspaper.

SUB-CONCLUSION:

From the evidence it appears that both grantees and SCI do a reasonably good job of disseminating results of the scientific inquiry.

B. The NAS/BOSTID Program

1. BACKGROUND

The grant agreement between A.I.D./SCI and the National Research Council of the National Academy of Sciences is administered by the Board on Science and Technology in International Development better known as BOSTID. This agreement authorized up to $40 million to be spent in support of programs and services relating to expansion of collaborative scientific inquiry on problems of interest to less developed countries and to a lesser extent the United States. The original 5 year grant was extended in 1983 to terminate in 1988, but was further extended to 1990. Requests for annual increments of funding for the grant are included in the Science Office's Congressional Presentation.

The distribution of funds available is as follows:

	Millions of Dollars
Research Grants	15.3
Networking	8.7
Core Support	11.0
	35.0
Mission "buy-ins"	2.5

In 1988 the Congress cut $2 million from the SCI office budget and directed that cut to the BOSTID program. Thus beginning FY 89, there will be only one source of new grant funding in the PSTC program. It has been decided to reorganize the program so that all new grants will be made by A.I.D. beginning in FY 1989.

2. ELEMENTS OF THE BOSTID PROGRAM

The BOSTID program contains a separately managed grant program supported by a high level of "networking" support from NAS. The grants program is a structured, focused and somewhat directive approach organized around specific research problems relevant to developing countries. BOSTID assists grantees in grant proposal preparation and provides considerable follow-up and guidance to the grantees. In this sense the BOSTID program is a more "corporate" approach to research than the PSTC program.

The Core support program has been used to fund the BOSTID peer review program, meetings of the Committee on Research Grants, which ultimately decides on grant allocation, and myriad other activities associated with grant administration by the six person staff. The BOSTID also has an impressive

publications program designed, for the most part, to bring rather practical reports on scientific developments to the attention of the larger development community. Some of these reports have become "best-sellers" with production runs of 50,000 copies. The process of selection is an interactive one between A.I.D. and BOSTID, with initiatives for studies coming from both parties.

With the termination of the Grants activity due to reduction of funds by Congress, BOSTID and SCI have begun a process of renegotiating the relationship between A.I.D. and the Academy which is exploring the possibilities of incorporating BOSTID into the PSTC program. This process is now underway and may be completed as early as April 1988.

ANALYSIS OF A.I.D.-BOSTID RELATIONSHIP:

One senior professional in SCI provides day to day management of the BOSTID program, but in fact the major parameters of the program have been set, and on occasion altered by interaction between SAA/S&T and the President of the National Academy of Science. The overall working relationship at all levels has been described as good by parties on both sides. As these relationships change with the renegotiation of the grant, some of the differences between the BOSTID and SCI approach to science grant programs may surface and cause tension. As a grantee and premier non-governmental science body, NAS will want to guard its freedom of action and program autonomy. The SCI office quite naturally feels its ISR program with its NIH style peer review system is best fitted to the original mandate of Congress in setting up the Science initiative.

The BOSTID program is a much more structured and directive program, the purpose of which is to focus research on knowledge gaps in a preselected problem or promising line of research. The PSTC program on the other hand is only loosely organized around such broad categories as biomass conversion. PSTC places far more emphasis on leading edge, innovative, high risk grant proposals with no pretense of funding an entire research regime. Interestingly, the BOSTID approach is much more congenial with the long term project approach of the Science and Technology Bureau than is the more free-wheeling ISR program. It may be appropriate for the Offices of Health and Agriculture to examine the possibility of integrating the more promising BOSTID research initiatives already underway in such areas as Acute Respiratory Infections in Children. These research networks do represent an asset of considerable value. This asset should not be abandoned without careful assessment of its future value to the development process.

SUB-CONCLUSION:

The SCI-BOSTID relationship has been positive and for the most part mutually reinforcing in the service of the shared goal of bringing collaborative science to bear on critical constraints to development while enhancing the capacity of LDC science institutions. The BOSTID program of networking and publications support is judged to be highly effective. These strengths should be harnessed to the purposes of the PSTC grant program. Moreover, the management by BOSTID of a peer review process more closely modeled on the present Science office system will permit the Science office to carry out other management, monitoring and evaluation functions more effectively than the office is now able to do. It is hoped that the negotiations between SCI and BOSTID will result in a strengthening of the United States' ability to retain its leadership in international science, and to more effectively influence science and technology research agendas to focus on critical problems of development.

C. The U.S.-Israel Cooperative Development Research Program (CDR-936-5544)

Initiated in 1985 as part of a larger U.S.-Israel effort to harness Israel's science and technology capacity with LDC institutions, the program funded 81 collaborative research projects in seven broad categories. Starting with the original $2 million Congress appropriated for U.S. Israel cooperation, the program has obligated $16 million for Israeli-LDC science cooperation to date. Program administration has been handled through the PSTC proposal review and grant management process. The unique features of the process for CDR has been greater flexibility with regard to subject matter and, in 1988, a decision to raise the grant limit to $250,000.

ANALYSIS:

The ability of the SCI office in 1985 to absorb and manage the CDR program suggests that the Office systems for announcement review and assignment of management responsibility are flexible and appropriate for handling a larger program. The termination of the program appears to be unrelated to the quality of the research activities or to the efficacy of SCI office management.

SUB-CONCLUSION:

The idea of Israeli scientific cooperation with LDC scientists is a good one, given the special experience and high quality of Israeli science. In managing the program SCI demonstrated the flexibility of the PSTC approach and its ability to take on new tasks in very short order. Whether A.I.D. needs to be involved in the management of scientific relationships between Israeli and LDC scientists is a question of higher policy, the answer to which has already been given.

V. Assessment of Other Functions

A. The American Association for the Advancement of Science Fellows Program (AAAS Fellows).

Recognizing the need to establish linkages between scientists and the development agenda at an early stage in their career, the Science Advisor developed this program in collaboration with AAAS. The first Fellow came on board in 1982. There are 10 Fellows serving FY 1988, of whom five are in the regional bureaus. Of the Fellows who have left the program, at least five have continued to be employed by A.I.D. either as Direct Hire or contract employees. Only one of the current Fellows is funded by the PSTC budget; the others are funded from the program budgets of the bureau to which the Fellow is assigned. There are requests for 19 Fellows for the FY 1989.

ANALYSIS:

Interviews with Fellows and with their supervisors indicate a high degree of mutual satisfaction with the Fellows program. At relatively low cost, A.I.D. enjoys extremely high quality scientific talent at a time when issues requiring current knowledge of rapidly changing scientific methodologies are becoming more important for Missions and Regional Bureaus. Fellows did indicate that they jealously guarded their role as Science Fellows. Having the SCI Office and Advisor as a point of contact and support was deemed important to maintaining the special status of this unique program.

SUBCONCLUSION:

The AAAS Fellows program has been surprisingly successful, reflecting a latent demand in the A.I.D. operational system which heretofore had been unmet. So long as the special status of these Fellows can be preserved the team believes the program should enjoy the support of the Agency.

B. Other Advisory and Support Functions

The Functional statement for the Science Office requires the Office and the Advisor to provide leadership to the Agency on matters of Science Policy, to coordinate US sponsored research on matters related to development, to identify and advocate new areas of research and to perform a wide range of advisory and liaison functions with regard to the A.I.D. role in a variety of national and international scientific networks and establishments.

With regard to coordination and the identification of promising research opportunities, the PSTC program has been used by SCI to develop one of the most extensive network of contacts throughout A.I.D. of any technical office in A.I.D.. The organization of the peer review process and the constant interaction with the NAS/BOSTID program further broadens the SCI office network with the science community. The AAAS program enhances this interaction by infiltrating highly qualified young scientists into the operational bureaus and missions. Many of these Fellows serve a dual role of advisor and "educator," particularly with regard to the rapidly changing role of biotechnology in the "life" and agricultural sciences.

Through core support to BOSTID, the SCI office has made available the considerable talent pool of the NAS to other parts of A.I.D.. There have been 16 "buy-ins" from other A.I.D. offices totalling nearly $2 million. For example, BOSTID has provided support to the Thai mission's S&T for Development project, the U.S. India S&T Initiative, the Egyptian ASRT project and other mission based science activities.

Staff of the SCI Office have participated in the development of S&T strategy efforts, Mission based S&T assessments and on Mission funded evaluations of science related bilateral projects.

ANALYSIS:

At the level of the SCI office professional staff, it appears that various grant programs have had the additional consequence of providing the rationale and access points for continuous interaction between scientific and program oriented communities within and outside of A.I.D.. While there has been some evidence that this has resulted in the expansion of a program support and advisory role for the Office, the limitations on staff and the demands of the grant review and allocation process have been so great that the SCI staff have been unable to do more than ad hoc efforts in this regard. It is expected

that one of the issues to be addressed by the upcoming negotiations between SCI and NAS is how best to have BOSTID become more aggressive and pro-active with respect to providing a broader range of advisory and support services to the field missions.

The Senior Advisor and policy leadership role in A.I.D. and between A.I.D. and other science entities, has been more visibly played by the Senior Assistant Administrator for Science and Technology than by the Science Advisor. This is not to say that the Science Advisor has not been active in this regard, nor that there has been significant conflict between them. It is fair to say that the present Science Advisor has focused his activity in the arena of technical scientific leadership such as in the Biotechnology task force. The SCI office and the SCI Advisor have contributed to the SAA's ability to perform a leadership role and it is clear the SAA values the access and involvement which the SCI office provides him.

SUB-CONCLUSION:

The basis for an increasingly pro-active technical advisory and support role for the SCI office has been created. There is increasing evidence that there is mission demand for such services, although SCI's ability to become a central supplier of support services has been limited, one possible arena for growth would be for SCI to develop a cross-cutting science support-advisory program. However, many, believing that SCI's justification as a separate entity is based solely on its grant program, would argue that this function of mission support may be more appropriately performed by the S&T Bureau consistent with mission support programs already run by S&T. These services can be structured in such a way that they reinforce rather than compete with traditional sectoral emphases of the current S&T Bureau portfolio. On the other hand, S&T's present sectorally focused support program makes it difficult to find an organizational home for a function with cuts across the various sectors.

The Policy Advisory and leadership function in A.I.D. and among US science institutions with interest and capacity in development related research is one of growing importance for A.I.D.. Strong, pro-active leadership is needed to use more effectively A.I.D.'s considerable development talent, but limited financial and scientific resources, to influence the larager U.S. science agenda toward development purposes. A.I.D., with the proper strategy and institutional focus, should be able to leverage other science establishments into focusing on the subset of problems associated with developing countries.

VI. Staffing and Organizational Location of Functions

A. Staff

The SCI Office has a current staffing assignment of 5.8 full time equivalent positions. These include three senior GS-15 scientist/administrators, two program operations assistants and one secretary. The Science Advisor and Director of the office is on an Intergovernmental Personnel Act (IPA) appointment and does not count against the FTEP ceiling: nor does the Program Officer, an experienced FSO in a "Deleted" position, the Assistant Program Officer who is on the Foreign Service Complement, and the AAAS Fellow who is supported by the PSTC program. Thus the total "de facto" staff of the SCI office is 9.8 persons. By FY 89 this will be back down to 7.8 with the departure of the two FSO's.

ANALYSIS:

Staff organization is suitably flexible; the organization chart being an uncomplicated empty box. All personnel have clearly defined functions, however, and there appears to be a high degree of commitment and morale in the office. The mix of scientific experience and bureaucratic savvy is an effective one. Moreover, the presence of skilled FSO program officer in the office has positive benefits.

B. Organizational Location

The functions of the SCI office could be disaggregated and assigned to other existing units in the Agency. For example, the AAAS Fellows program could be managed by the Personnel Office's Management Training Division, the PSTC-NAS relationship (the exact future of which is of course still unclear) by the Science and Technology Bureau and the Advisory and Leadership in Science function by Senior Assistant Administrator, or, if meta-Bureau presence was required, an Office of Science Advisor could report directly to the Agency Administrator, rather than through the SAA for S&T.

Another possible change would be to move the entire enterprise into the S&T Bureau. This would simply formalize what people not too familiar with the Office believe is now the case.

ANALYSIS

Since organizational change is always disruptive and, in the first instance, reduces efficiency, the benefits must obviously outweigh the costs. At the present time the SCI

office enjoys the administrative and logistical support of the S&T Bureau. SCI Office leadership does not seem to chafe under the delegations of authority which leave most of the signature authority in the position of the SAA/S&T. This may be because both the SCI Advisor and the SAA/S&T have a very positive working relationship.

The benefit of a separate but closely linked SCI Office is that it is able to present and defend to Congress a program of science support which is different from and additional to the resources provided to the S&T Bureau. It occupies a special niche in the development program. Given the sectoral organization of the S&T bureau, were SCI to be a part of the S&T bureau it is unlikely that the PSTC program would survive internal budgetary battles. It is more likely that it would be changed to more closely relate these monies to mission programs. A second benefit to a separate existence is that it provides a modicum of visibility of A.I.D.'s commitment to and interface with the broader science community. To the extent that A.I.D. leadership and the Congress desire that interface, a separate office seems appropriate.

Locating the function of Science Advisor in a direct line with the A.I.D. Administrator is attractive and might well enhance the "Advisory" role of the incumbent. There are drawbacks, however, to separating the advisory function from the project management function. Having a program budget, however small, does give the SCI office the basis for supporting and initiating innovative programs such as PSTC and the AAAS Fellows program. If the PSTC program were to be terminated, the rationale for a separate Science Office would substantially disappear.

SUBCONCLUSION:

The evidence indicates that the SCI office effectively manages it current program, has high morale and has begun to demonstrate the capacity to evaluate and reassess its relationship to the Agency and to its function. While changes in location, quantity and mix of staff may be appropriate in the future, that decision should await the outcome of the current impact evaluation and the negotiations with NAS/BOSTID. Moreover the relationship between SCI and S&T has reached a steady and at present mutually reinforcing state. No Senior Officer in S&T strongly advocated change at this time, and many felt the relationship was about right. Thus there appears little compelling reason to change the situation, but the role, organization and function of the SCI office should be reassessed at the beginning of the Fiscal Year 1990. The Administrator would be well served by appointing an advisory committee of senior A.I.D. officials and members of the science community to direct such a reassessment and make recommendations.

VII. Final Conclusions

A. Is the Office of Science Advisor Achieving Its Stated Objectives?

The team concludes that:

- The objective of developing and managing an innovative program of small grants of collaborative science has been achieved.
- The objective of broadening and deepening the interaction between A.I.D. and the Science community has been partially achieved; a strong basis for expanding that role is in place.
- The function of providing policy advice and leadership has been partially achieved but in a low key fashion. This role has been more clearly assumed by the SAA/S&T Bureau.

B. How Can These Objectives Be Achieved More Efficiently?

- By negotiating a new relationship with NAS which more closely harnesses that institution's considerable capacity to the purpose and style of the PSTC program.
- By SCI focusing greater attention on systematic management support (including better grant monitoring and evaluation systems) to A.I.D. bureau and field mission grant managers.
- By A.I.D. devising more active programs of science support for field missions to assist them in the development and implementation of science strategies.

C. In the Light of Funding and Personnel Limitations Do the Objectives Remain Valid?

The issue of whether the objectives of the Science Office remains valid depends on much more than available funding and staff. At the current level of funding, the office staff is appropriate. Both are adequate to carry out the purposes of the program. Should funding for the PSTC program be eliminated by Congress, then the main purpose of a separate SCI office would disappear. A.I.D. might wish to retain a Science Advisor under those circumstances, with a small budget to permit some program flexibility.

When discussing this issue, it is important to keep in mind the origin of the PSTC. It was the product of Congressional interest in a more active US role in supporting third world science, and in collaborative research between US and LDC scientists. Congress established an "earmarked" account to support that purpose, but rejected the proposed new

institutional apparatus of a totally separate organization. The much more modest Office of the Science Advisor was established to implement that program which draws on A.I.D. for logistic and management support. Therefore in the instance of the Science Office, the legislative history and current Congressional interest is a determining factor in answering the question of program validity.

Regardless of how well managed the program may be, there is disagreement among team members as to the validity of continuing the program. One member of the team would terminate the program, whatever the results of the evaluation. He acknowledges that research is important, and that some of the research funded by this program may achieve significant results. With greatly augmented funding and personnel levels for A.I.D.'s activities, he would not oppose the continuation of the program. However, given current and projected funding and personnel levels, he believes that "trade-offs" must be ruthlessly analyzed, and in so doing, he concludes that this largely unfocussed, pure research activity comes up wanting. He supports the applied research of the S&T Bureau which is directed to A.I.D.'s program activities, and the research activities and projects which are developed by missions to achieve program objectives, but he believes that the SCI program of random research is a "luxury" which the Agency can no longer afford. Another member concluded that the PSTC program was a good thing but should perhaps be run by NAS with A.I.D. funding. A third view was to await the results of the ongoing evaluation before any decisions are made regarding PSTC. While agreeing with the third view, that the results of the evaluation are important for making a decision on the PSTC program, one member concluded that A.I.D.'s investment in US-LDC science collaboration should be an important part of A.I.D.'s development role, and likened the PSTC program to a science "venture capital" fund. If successful, these projects should be followed by mission based programs backed up by A.I.D./W support systems.

Perceived through a different conceptual prism, the Science Office began its life as an "add on" to A.I.D., with purposes quite different from those of the main stream A.I.D. programs. Over the seven year life of the Office, the PSTC has begun to be perceived as an asset by many missions and in the regional bureaus. While this is by no means a homogeneous view, certainly countries in Asia and more recently in Latin America have taken good advantage of the program. As A.I.D. looks for ways to relate to Advanced Developing Countries the SCI program may well offer one approach.

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MANAGEMENT ASSESSMENT

BUREAU FOR PRIVATE ENTERPRISE

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

April 1988

Richard Breen
Robert Huesman
Helen Soos
Aaron Williams

MANAGEMENT ASSESSMENT

BUREAU FOR PRIVATE ENTERPRISE

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I. EXECUTIVE SUMMARY

8. Bureau for Private Enterprise

The primary conclusion of the team is that the Private Enterprise Bureau has operated a program (i.e. the Revolving Fund) parallel to the operating bureaus, and thus had not been adequately integrated into the mainstream of A.I.D.'s operations. This is evidenced by a communications gap between PRE and the operating bureaus which limits the Agency's effectiveness in reaching its goals in private enterprise development. To bring about a more effective collaboration on the Agency's private sector goals, the team suggests a new role and a new set of relationships for PRE Bureau. They suggest that PRE be given a stronger mandate to become a "center of excellence" as a staff and service function within A.I.D. on private enterprise matters. Within this mandate they suggest that the Revolving Fund program be shifted from exclusive PRE control to a "Board of Directors" in which the regional bureaus become equal partners. A corollary is that field missions assume responsibility for day-to-day management of the projects. Other general conclusions reached by the team are that A.I.D.'s private sector initiative is well established but uneven in application by the regional bureaus and missions. PRE's performance against its objectives is generally rated as good in the areas of Revolving Fund administration and provision of services to field missions. However, due to limited availability of human resources -- particularly experienced private sector executives, PRE has not been able to exert substantive leadership within the Agency in matters of private enterprise program and policy reform. The team also urged more effective links with other international DONORS.

I. EXECUTIVE SUMMARY

II. INTRODUCTION

A. BACKGROUND

Historically, the private enterprise theme has been woven throughout the U.S. foreign assistance program. The Marshall Plan focussed on reinvigorating private enterprise throughout war-torn Europe. In 1961, the Humphrey amendment to the Foreign Assistance Act stated that the foreign assistance program should promote private rather than public sector development, and explicitly encouraged the promotion of private cooperatives and credit unions. Thus, the Alliance for Progress in Latin America was characterized by intermediate credit programs and other small business development activities.

In 1981, the A.I.D. Administrator designated the Private Sector as one of the "Four Pillars" of Agency activity, and established the Bureau for Private Enterprise (PRE) to promote the use of private enterprise mechanisms through the foreign assistance program. Simultaneously, other bureaus within A.I.D. also explored how their programs might utilize private mechanisms for implementation.

The A.I.D. emphasis on private enterprise has coincided with growing recognition among international donors and

among LDC governments themselves, that public resources will never be sufficient to sustain adequate rates of growth in the developing countries. There is great disillusion over the failure of public enterprises to fulfill their roles as efficient producers. An estimated 70% of the LDC debt burden is due to the inefficient operation of state owned entities which have failed in their mission and continue to require subsidies which generate large budget deficits. At the same time, developing countries are characterized by large informal sectors comprised of people who have been frozen out of remunerative economic opportunities by excessive government control. A.I.D.'s emphasis on the private sector is based on the realization that free, open and competitive markets serve as engines of development. The incentive they provide extends to all levels of people within society, and motivates them to save, to invest and to produce. This reliance on market-based growth creates new imperatives for donors such as A.I.D. and the World Bank.

B. General Conclusions

The assessment team reviewed each of the organizational components of the PRE bureau - their programs, personnel, and accomplishments. The team assessed PRE against the original expectations, as well as the current more limited objectives reflected in organizational practice.

Underlying the individual findings is one superordinate

conclusion: PRE, set up as a separate entity in the A.I.D. structure, has operated a parallel program which has not been integrated adequately into the mainstream of A.I.D.'s operations. The result is a gap in communications between PRE and the operating bureaus and field missions which does today, and will in the future, limit the Agency's effectiveness in reaching its goals in private enterprise development. This was demonstrated many times: as the Regional bureaus, and too many of the field missions, acknowledged they were not familiar with the programs and resources of PRE; and as PRE personnel admitted not understanding and knowing the details of the country strategies and programs. Indeed, the team was concerned to find no single source of information in the Agency concerning private sector programs and projects, or even the proportion of Agency resources devoted to private enterprise activities.

The team therefore concluded that not enough effort has been made by both parties - the regional bureaus and PRE - to collaborate on making the private enterprise initiative work better. We believe this is due to an inherent defect in the way PRE was established in the A.I.D. structure, and to a wide spread feeling that PRE is a temporary phenomenon which may soon be abolished and "out of our hair". Both problems are susceptible to solution in the short term.

PRE's organizational position is characterized by an

inherent conflict of roles. It is constituted both as a line bureau with its own financing portfolio, and as a staff and service bureau for the Agency. ~~The imperative of "Greshams law of administration" states that the demands of day to day operations will drive out the concerns of long range planning and other less urgent or less tangible roles.~~ We observe that PRE management regards the Revolving Fund (RF) as its priority program, and has allocated to it the lion's share of operating and program funds.

We suggest that top Agency management make clear the direction and priorities which it expects from all components of the Agency with respect to the private enterprise initiative. As part of this process we suggest that a new role and a new set of relationships be established for PRE.

A new role for PRE should take the following shape.

-- Shift the revolving fund out of the exclusive control of PRE and into the mainstream of the Agency's operating programs through a "corporate-type" structure of senior Agency management.

-- Give PRE a broad new mandate to become a "center of excellence" as a staff and service function within A.I.D. on matters pertaining to the private enterprise sector. Under this mandate, PRE would:

1. Provide leadership by serving as an intellectual focal point for Agency experience on a broad range of private enterprise issues, such as privatization, financial market development, trade promotion, micro-enterprise, innovative investment techniques, guaranty funds, investment promotion, debt-equity, capital flight, private mechanisms for health delivery, population, agricultural marketing, etc. PRE could utilize the Agency's Private Sector Council, which it chairs, to bring together Agency expertise on these ~~sectoral~~ issues. ~~It can also~~ and utilize current contract mechanisms for "state of the arts" analysis of A.I.D. and other donor programs.

2. Bring talented private sector expertise to the whole Agency's private enterprise policy and programming process. A.I.D. should be able to make use of a variety of devices: the I.E.S.C. could provide experienced executives in many different fields of the private sector for short term application to specific Agency problems and issues. We propose that the Agency establish 5 - 10 "Private Sector Counselor" positions for I.E.S.C. volunteers.

Was this confirmed w/ IESC by-laws?

3. Continue to administer the technical services contracts as a service to the Bureaus and missions, while strengthening the current trend toward greater collaboration. PRE's performance should be judged on the extent to which the field missions and regional bureaus use PRE's expertise and services.

4. Expand coordination with the U.S. private sector and with other donors such as the World Bank.

This mandate is designed to restore communication and collaboration between the different components of the Agency. Furthermore, it will encourage the operating missions to take hold of an innovative resource -- the revolving fund, or its successor guaranty -- as a new, flexible development resource. It is time to move it from the incubator of PRE to the mainstream operating programs.

C. Scope and Methodology

This assessment covers the management and operation of the programs of A.I.D.'s Bureau for Private Enterprise (PRE), excluding those of the Office of Housing and Urban Development, which operates independently of PRE. Our review covered the goals and objectives of PRE; their relationship to A.I.D.'s overall goals and those of other

A.I.D. organizational units; the extent of progress toward those objectives; the sufficiency of personnel and financial resources allocated to PRE and the effectiveness with which they are being managed. In assessing these general issues, the team focused on each of the major activities currently managed by PRE in support of their overall objectives.

The findings and conclusions of this report are based on three sources of data: documentation, personal interviews and comments solicited by cable from A.I.D. field missions.

Documentary evidence included basic Foreign Assistance legislation, A.I.D. policy papers, speeches made by A.I.D. management, Congressional Presentations, functional statements, program and administrative expense budgets, staffing patterns, personnel records, management reviews, project reports and contracts, audit reports, project files including project descriptions and authorizations and project evaluation reports. We had no difficulty in finding and obtaining whatever documentation we needed for the review.

The assessment team conducted interviews with over 100 people, drawn from the following categories:

-- present and former PRE Bureau professional staff

-- other AID/W staff ~~other A.I.D. staff in the Bureaus~~ for Program and ~~Policy Coordination, Science and Technology, the geographic bureaus, and General Counsel's office~~

-- contractor and grantee officers

-- A.I.D. mission directors and other field staff

-- officials of other organizations, including IBRD, OPIC, GAO, NSC etc.

~~Comments were solicited from all A.I.D. field missions, and 22 field missions were asked to respond to detailed questions regarding specific PRE-supported activities.~~ Comments from interviewees and cables from the field were forthcoming and frequently candid. Necessarily, the team is required to make judgements and recommendations. These are our own responsibility, of course, but we feel they are based on the soundest data and information possible to obtain within the time and resources available.

III. PRINCIPAL FINDINGS

1. A.I.D's Private Sector Initiative is well established throughout the Agency. PRE is only a part, albeit an important part, of the Initiative.

The Initiative's impressive strength, breadth and momentum is evidenced by the increased funding allocated to private enterprise programs worldwide, the integration of private sector criteria in planning and evaluating programs and projects, the emphasis on private enterprise in staffing and training functions, and a palpable level of commitment on the part of many of the officers we interviewed. Management attention can now be focused on building on this excellent beginning, and on PRE's role in the next phase of the Initiative.

PRE's programs represent only a fraction of the Agency's Private Sector programs and projects. The regional bureaus invest about five times more than PRE in Private Sector projects, in addition to resources in policy reform. PRE has played a key role in providing services and promoting innovation throughout the mainstream of field activities.

2. PRE's role needs to be enhanced to provide leadership by serving as an intellectual focal point for Agency

experience on a broad range of private enterprise issues, as well as program and policy matters. PRE should serve as a central point for compiling and analyzing the Agency's experience in private enterprise programs, as well as that of other donors including the World Bank.

Initially, PRE was expected to exert a leadership role in policy-making concerning the content and direction of the Agency's private sector activities. PRE has not been able to play this role because of the resistance of the other Bureaus and offices of the Agency, and because of small staff size and a limited ability to attract and retain qualified, creative talent, both from within A.I.D. and from the private sector. PRE has collaborated with PPC and other bureaus in the formulation of broad private sector policy.

There is a serious leadership and information gap in the Agency in the private enterprise area, broadly defined as both a mechanism and as an end in terms of building broad-based, indigenous private enterprise. PRE constitutes the only organizational entity capable of pulling together Agency-wide experience among missions, regional bureaus and central bureaus in areas such as privatization, financial market development, trade promotion, micro-enterprise, innovative investment techniques, guaranty funds, investment promotion, debt-equity, capital flight, private mechanisms for health delivery, population, agricultural marketing,

all factors on private sector issues.

etc. PRE could utilize the Agency's Private Sector Council, which it chairs, to bring together Agency expertise on these sectoral issues. It can also utilize current contract mechanisms for "state of the arts" analysis of A.I.D. and other donor programs.

During the course of our review, it became evident that there was not a designated point within A.I.D. for accumulating information about the Agency's private enterprise programs. There is much to be gained from closer contact with A.I.D programs and other donors in private enterprise. PRE is the logical organizational unit to carry out these related functions.

3. <u>PRE's current objectives are clear and consistent with A.I.D.'s overall goals. However, staffing and funding constraints have limited PRE's focus to five key programs plus training</u>.

While early objectives included a "partnership" with U.S. and LDC private enterprise, since 1984, PRE's actual focus has been on the growth of indigenous private enterprise in LDC's as a cost-effective means of achieving broad-based, self-sustaining economic growth and development. Owing to limited staff and funding, as well as the need to work collaboratively with mainstream Agency offices and missions, PRE's objectives have narrowed to a limited management focus. Current programs and objectives

include:

- facilitating policy reform by providing the field missions with contract technical services;

- through the Revolving Fund, building an investment portfolio of innovative small/ medium business models for replication;

- strengthening capital markets through contract technical services to field missions in policy, strategy and program design;

- providing contract technical services to Governments wishing to privatize state-owned enterprises;

- training of Agency employees in private enterprise skills and providing support to the I.E.S.C.

4. <u>PRE has successfully introduced innovations in A.I.D.'s private enterprise programs, primarily as a provider of private enterprise-related technical services.</u>

PRE's objectives call for the Bureau to be an innovator in introducing new concepts and new means of supporting A.I.D.'s private enterprise initiative. PRE has established a reputation as an intermediary, if not the original source of expertise, in three general areas relatively new to

A.I.D. programs. The Center for Privatization is recognized as a qualified source of expertise. The Financial Markets Project and the Private Enterprise Development Support Project are increasingly focussing on synthesizing Agency experience and concentrating on services in key sectoral areas. The Revolving Fund has introduced new financing techniques to increase the flow of resources to small and medium business.

5. <u>PRE staff contains insufficient experienced private sector executives.</u>

Part of the problem PRE and the Agency face in implementing the Private Sector Initiative is the lack of people with solid private sector experience who command credibility among the operating managers of the Agency and with the private sector and host governments. The Regional Bureaus and Field Missions would be eager to tap such skills if they were available through PRE. The team realizes the difficulties inherent in hiring needed talent from the private sector within the constraints of the public personnel system. We propose that A.I.D. make further use of the I.E.S.C. in a program to provide short term volunteers to serve as "Private Sector Counselors" as described in section ____. The Presidents Commission on ~~Personnel Interchange~~ Executive Exchange and direct requests to CEOs of American companies could also provide high level talent focussed to specific objectives. It is not necessary to

recruit career staff for all of these talents.

A well articulated program of perhaps a dozen people at any one time serving varying - but limited - periods of A.I.D. service would constitute an important resource not now available to the Agency.

This recruiting effort cannot be handled by the personnel department; success will require high level leadership within A.I.D. to attract executive skills that could make a difference in A.I.D. operations. Obviously, PRE could exercise this kind of leadership on behalf of the Agency. However, this would require reconsideration of the organization, role and staffing of PRE.

6. <u>More complete integration of PRE programs with the rest of A.I.D. is required, but will require organizational changes</u>.

PRE's technical service programs, as well as the Revolving Fund, should be better integrated with the programs of the field missions. This would require a realignment of the relationship between PRE and the geographic bureaus and field missions. This realignment would eliminate the current confusion between line and staff roles.

7. <u>PRE's technical service contracts have provided an important support function to field missions and other</u>

bureaus. A communications gap evidenced by the uneven use of these services needs to be bridged with targetted travel to the field, improved working relationships with regional bureaus and broader Agency input into the PRE programming process.

PRE's three service contracts have provided an important resource to field missions and A.I.D./W bureaus, both regional and central. Demand for these services has expanded, resulting in additional budgetary allocations and buy-in authority. Field missions confirmed the value of these services to the team.

The Private Enterprise Development Support Project has responded to over 40 requests ranging from private sector assessments to trade and investment promotion, micro-enterprise guaranty mechanisms and debt-equity.

The Financial Markets Project, which focuses on measures to mobilize domestic capital has provided services to 25 field missions, including 16 financial market surveys.

The Privatization Project, which established the Center for Privatization, has provided expert advisory services to over 30 governments.

The team found that many missions were not aware of the availability of these services, or their relevance to less

developed country problems. Africa has utilized these services less than other regions. Better communications, including carefully targetted travel and field input into the PRE programming process, could enhance the impact of these services.

8. From Revolving Fund resources, PRE has successfully managed the build-up of a portfolio of $60 million.

The Private Sector Revolving Fund is a program of loans and guarantees to private sector firms in developing countries conducted in parallel with regional Bureaus and field missions programs. As a new fund with less than four years of operating experience, the Fund has originated $60 million in near market rate investments with the LDC private sector which comply with legislative criteria.

9. The Revolving Fund has introduced new financing techniques that need to be incorporated into the mainstream of A.I.D. programs.

The Fund has developed risk-sharing arrangements (collateral accounts and loan set-offs) that have proved to be effective techniques for inducing private commercial banks to broaden their lending to non-traditional sectors and borrowers, i.e., smaller and riskier borrowers. It has pioneered A.I.D. activity in the areas of venture capital and trade financing and has generally accelerated the

introduction of private commercial banks into the A.I.D. target areas. We believe it is time for the field missions to take responsibility for the utilization of the Fund as a resource in their programs.

10. Under current organizational arrangements, PRE/I needs more staff to manage the Revolving Fund.

The assessment team concluded that presently PRE/I is not staffed to do an adequate job of managing the Fund portfolio within the established organizational framework. A new organizational form, outlined below, would spin off most design, implementation and monitoring responsibility to field missions. Unless and until such organizational changes are made, additional staff resources and operating expense travel support are needed to maintain effective management.

11. The Revolving Fund should be incorporated into the mainstream of A.I.D.'s private enterprise programs. A new form of organization is required to achieve this objective with respect to the Revolving Fund as well as the proposed Guaranty Authority.

PRE has recently made a determined effort to involve field missions in Revolving Fund projects. The present organizational structure whereby PRE is both a line and a staff bureau makes difficult the full integration of this

resource into the mainstream A.I.D. programs. We suggest that A.I.D. incorporate the Fund or its successor Guaranty Authority under the direction of a Board of Directors consisting of the regional bureaus and PRE. This structure would give the field missions and regional bureaus a way of "buying-in" to the objectives of the Fund. The corollary of course will be that field missions will have to propose projects for the Fund and accept implementation responsibility.

12. <u>The training course, Role of the Private Sector in Development (RPSD) has made a positive contribution to A.I.D.'s Private Sector Initiative, and should be expanded. Additional impact could be achieved if Mission Directors and other senior officers were required to attend a modified RPSD</u>.

A.I.D. officers who have attended the two-week RPSD course have been highly positive in their evaluation of it. The course should be expanded, with more emphasis on acquisition of technical skills. A shorter course, suitably modified and targeted for Mission Directors, has the potential to accelerate the process of translating A.I.D.'s private enterprise policy emphasis into field programs.

IV. PRE Bureau Objectives and Overall Progress

A. Summary

- PRE has evolved a consistent, although limited, set of objectives for the Bureau, and these are well integrated with A.I.D.'s overall goals.

- PRE's success in fulfilling its objectives has been mixed.

- PRE has not been able to play an effective leadership role in policy, policy reform, or the content and direction of P.E. projects;

PRE has produced some innovative ideas and initiatives for A.I.D.'s private enterprise programs; the Center for Privatization, Financial Markets Development and the Revolving Fund are illustrative;

PRE's technical service contracts are valued and widely used by field missions;

PRE management has succeeded in infusing the Bureau with a field service orientation. However, communication with field missions and regional bureaus still needs improvement;

Establishment of a "partnership" between U.S. and LDC private enterprise, an early emphasis in A.I.D.'s Private Sector Initiative, has met with very limited success. Current efforts are more encouraging.

B. Current Policy and Objectives

Current A.I.D. policy on private enterprise development is codified in A.I.D.'s Private Enterprise Development Policy Paper issued by the Bureau for Program and Policy Coordination in March 1985, which superseded both the PRE bureau Policy Paper of May 1982 and PPC's Policy Paper issued in 1982. The revised Paper focuses squarely on the LDC'S. The goals are:

"- to encourage LDCs to open their economies to a greater reliance on competitive markets and private enterprise in order to meet the basic human needs of their poor majori- ties through broadly-based self-sustained economic growth; and

"- to foster the growth of productive, self-sustaining income and job producing private enterprises in developing countries."

The paper further states that

"The overriding intent of A.I.D.'s private enterprise policy is to promote the establishment of a climate conducive to LDC private sector activity; it is not intended primarily to finance the establishment of individual business entities per se. The two pronged objective, to reach the ultimate goal of growth, is the establishment of viable, competitive markets, and the expansion of private enterprise in LDCs."

The Policy Paper does not set priorities, since these decisions were "to be made at the mission strategy, program and project levels." It assigns "principal" responsibility for carrying out the policy to A.I.D. field missions and regional bureaus.

Since 1984, there is reasonable consistency in statements of PRE's broad overall goal, i.e. "to provide support for the establishment and growth of indigenous private enterprises in LDCs as a cost effective means of achieving broad-based, self-sustaining economic growth and development. ... As the Agency's focal point for promoting LDC economic growth and development through private enter-

prise mechanisms, PRE works closely with regional bureaus and country missions to help develop strategies and programs which will incorporate private initiative in U.S. A.I.D. missions' development programs." (Fy 1985 Congressional Presentation, Feb. 1984)

Current PRE program documents, the Central Program Strategy Statement (CPSS), the FY 1987-88 Action Plan and the FY 1989 Congressional Presentation (CP), are consistent with one another and with agency goals as stated in earlier documents. According to the FY 1989 CP, PRE "provides ideas, direct investments, guidance and expert assistance to A.I.D. and its missions to achieve self-sustaining, equitable economic growth..." To do so, PRE has focused on:

- facilitating policy reform to improve business climates;

- building an investment portfolio which provides innovative models for replication;

- strengthening capital markets;

- privatizing state-owned and controlled enterprises;

- providing skills training in both developing countries and within A.I.D."

B. Overall Performance

PRE sees itself in three roles: leader, service-provider and innovator.

In terms of leadership, the assessment team encountered considerable skepticism throughout A.I.D./W that PRE had played more than an incidental leadership role in promoting private enterprise as a means of achieving economic growth. A number of persons observed that PRE's credibility and influence would be substantially enhanced if PRE were able to attract into public service a business person of established prominence, capability and vision. Others, both in central and regional bureaus, felt that PRE offered little in the way of policy guidance or private enterprise-related services that the bureaus could not provide. Many conceded that PRE contributed as part of a collaborative team effort.

Skeptical views on PRE's leadership role may flow from bureaucratic turf considerations and inadequate knowledge of central bureau functions, the team notes that PRE has had inadequate staff and resources to serve as leader in either policy or program matters. Furthermore, PPC Bureau has retained overall responsibility for policy within the Agency, and field missions and regional bureaus were explicitly given the leadership role in the policy guidelines. Thus, PRE

reference to leadership is inaccurate in most instances. PRE can provide leadership only to the extent that it promotes innovation through investments and services, and often other A.I.D. offices will claim credit for these activities.

The team also found that the Private Sector Initiative is firmly established in A.I.D., and that Agency leadership at all levels had been active and effective in promoting the initiative. The creation of PRE symbolized A.I.D.'s intent in respect to private enterprise and served as a catalyst to the regional bureaus. PRE's role in developing the Private Sector in Development Training course, and other programs, has also contributed to the progress. At any rate, the initiative has received impetus from other sources.

As innovator, PRE has ~~also~~ had ~~limited~~ moderate success. As one overseas mission said, "We believe PRE functions well as a 'think tank', and this mission has benefited from their skills in this area.". The Center for Privatization provides A.I.D. with a means of supporting divestiture efforts which it never had before. The Center's recognized and growing expertise lends substance to the "center of excellence" concept people sometimes use to describe their idea of the essence of PRE's role in the private enterprise initiative. Although less well established, PRE's Financial Markets Development Project has the potential to become A.I.D.'s recognized and preferred source for financial markets expertise. In addition, the Revolving Fund appears

to have been used to demonstrate creative means of coaxing LDC financial institutions to venture into more risky, small-to-medium business loan arrangements. The most recent mode of innovative effort is the U.S. Trade/Tech Project which is planned to expand technology-based trade and collaboration between U.S. and LDC private enterprises. On the other hand, PRE has hardly devised new roles for private enterprise in delivery of A.I.D.'s program in sectors such as health and agriculture.

The assessment team believes that PRE should continue to be in the forefront of A.I.D.'s efforts to develop new means of encouraging the expansion of indigenous private enterprise. Once established, these can be spun off to the regional bureaus. However, in order for PRE to fulfill this role, A.I.D. needs to ensure that the bureau maintains the required level of leadership, expertise, communication and encouragement of creative thinking by resourceful people.

After a decidedly independent start, PRE has earned a respected and appreciated role as provider of services to A.I.D.'s field missions. Initially, PRE operated its programs, especially the Revolving Fund, independently of, and indeed with some disdain for, the field missions. Undoubtedly this compromised PRE's position with the regional bureaus and missions and delayed integration of its programs with the A.I.D. mainstream. That situation has slowly turned around. Discussions with PRE personnel

indicate that service to the field and collaboration with field programs are basic tenets for present operations. Some problems and issues remain. Some missions are not aware of the range of services PRE can provide, and the means of obtaining them. Although PRE has worked on "marketing" the bureau's "products", a communications gap persists. There also appears to be a substantial area of redundancy between PRE and the regional bureaus, as discussed in Section VI.

C. "Partnership" with U.S. Private Enterprise

Initially, PRE's major objectives included establishment of a "partnership" between U.S. and LDC private enterprise which was expected to result in significant flows of capital, management and technology to LDC private enterprise through mutually beneficial arrangements. It is not clear how much effort was devoted to achieving this objective, but it apparently met with little success in its first area of concentration, the Caribbean Basin. In 1986, the locus for the partnership activity was transferred to the Office of Private Sector coordinator, attached to the Administrator's Office. Recently, the staff of two and functions of the Private Sector Coordinator were transfered to PRE, operating within the Assistant Administrators Office. There are encouraging signs of activity in Egypt, with two U.S. firms already committed to investments and a significant number of others

at various pre-investment stages.

To the best of our knowledge, A.I.D.'s investment promotion activities have not been successful in the past. The early signs of reversal in that pattern in Egypt therefore warrant careful watching, to make sure they are real and replicable. If so, A.I.D. and PRE will need to consider the extent to which the U.S. government should continue to support such initiatives, including the level of resources A.I.D. should allocate to the effort, whether and how these activities should be organized within PRE and their relationship to the respective regional Bureaus and field missions.

V. Organization and Staffing

A. Summary

- PRE's present organizational structure appears suitable to achieve the Bureau's current objectives;

- Mixture of staff and line (i.e. the Revolving Fund) functions has caused problems; new organizational forms are required;

- Staffing is inadequate to meet current objectives, the Revolving Fund (PRE/I) and policy development (PRE/PR) being the major points needing reinforcement;

- Staff turnover has been high;

- The next phase of the Private Sector Initiative will require A.I.D. to reach out more imaginatively into the U.S. private sector for experienced private enterprise personnel willing to fill time limited, non-career appointments. Agency management and PRE both have a role to play.

B. Current Situation

PRE is currently organized into five offices: 1) the Office of the Assistant Administrator (with a three-person administrative support staff), 2) the Office of Program Review (PRE/PR), 3) the Office of Investment (PRE/I), 4) the Office of Program Development (PRE/PD), and 5) the Office of Housing and Urban Programs. The latter operates independently of PRE except for administrative and program operations support and is not included in the scope of this assessment. Excluding housing and urban programs, PRE is

authorized 36 positions of which ten are allocated to clerical and administrative support functions.

The Project Development Office was added in 1985, when the project function was separated out of the Program Office. The Office of Investment has existed since establishment of PRE.

In broad terms, PRE/PR is responsible for policy and program formulation and program resource allocation and control; PRE/PD is responsible for designing and implementing technical assistance projects and grant activities; PRE/I handles the revolving fund and would be responsible for the Loan Guarantee Fund to be established.

The main functions of the offices are as follows:

The Program Office (PRE/PR):

- operates with PPC and other offices and bureaus in formulation of A.I.D. private enterprise policies and programs;

- assists AA/PRE in formulating PRE objectives and guidelines, allocating resources and presenting program to agency and congress;

- administers evaluation program.

The Project Development Office (PRE/PD):

- designs and manages projects which facilitate the efforts of A.I.D. to expand indigenous private enterprise activities of the developing countries;

- identifies, develops, and implements new initiatives to facilitate the use of private enterprise in delivery of the A.I.D. economic assistance program;

- in cooperation with A.I.D. geographic bureaus, suggests new opportunities and approaches to assist the host country private sector.

The Investment Office (PRE/I):

- explores developmentally oriented investment opportunities in selecting developing nations;

- develops new and innovative developmentally oriented approaches for private enterprise investments, etc.

- identifies for AA/PRE new investment projects for the bureau.

If properly staffed and managed, this organizational structure appears well suited to meet the bureau's objectives.

There appear to be some problems, however.

PRE/I operates essentially independent of PRE/PD and PRE/PR. Opportunities for coordination, collaboration, and synergism are being missed.

There appears to be insufficient staff to carry out PRE's present responsibilities, let alone the addition of the newly approved Loan Guarantee Authority. This observation was pervasive, not only from PRE officers but from inherently skeptical sources such as the I.G. The critical shortages appear to be administration of the Revolving Fund and PRE/PR's policy development function.

Recruitment and retention of staff have been difficult. Position designations and the assigned grades have seriously inhibited recruitment, as has the perception that PRE does not exercise a strong leadership role. We were told that rigidities associated with designation of office chief positions as "G", civil service, rather than "F", foreign service, affect the grades at which

subordinate positions can be classified.

There has been a relatively high rate of turnover among PRE professional staff. In each year but one from 1983 to 1987, 25% to 33% of the staff left the Bureau. In four of the same five years, the average tenure of those employees leaving was less than two years. Of the 25 employees leaving during that period, twelve were Administratively Determined (A.D.); eleven were foreign service officers and only were two civil service employees. In addition to the usual factors entering into rapid turnover, e.g. grade classification, leadership and general working conditions, staff vs geographic bureau, etc., PRE has been affected by the common perception that it is a "temporary" bureau, and by the fact that a relatively high proportion of PRE positions are A.D.'s ~~or political appointees~~.

To be fully effective, PRE must be able to attract and hold creative, well-qualified individuals. Possible measures include:

- A thorough reexamination of the grade structure, to be carried out by an examiner able to understand the innovative and complex nature of PRE's professional mandate;

- Retention of some degree of flexibility in terms

of A.D. positions. This is desirable in order to access special kinds of expertise and experience from the private sector;

- Judicious use (in addition to that already made by PRE administrative staff) of contracting approaches to extend the usefulness of A.I.D. Direct Hire staff, including PRE/I.

- Designation of several positions as "F", Foreign Service. In addition to providing flexibility in attracting personnel, this would enable A.I.D. to expand the process of assigning to PRE its Private Enterprise, Project Development and other officers who rotate to Washington between overseas tours. Over time, this would strengthen the officer cadre as well as PRE relationships with other Bureaus.

B. Private Enterprise Staffing: Special Needs

PRE has operated generally within the usual parameters of public service personnel systems. This has been adequate for the present scope and nature of PRE's service-delivery functions, although the investment function has been forced to resort to AD appointments to attract experienced staff. For the next phase of the Private Sector Initiative, A.I.D. and PRE will need to reach out much more imaginatively into the U.S. private sector to augment the existing pool of

talent. With a few exceptions, PRE's staff does not include business leaders with the stature to command credibility within the Agency's councils and elements of the private sector, and to provide the vision to carry the Private Sector Initiative forward. Even at staff levels, it is not realistic to expect a government agency to attract and retain the full range of expertise necessary to support a private enterprise effort as substantial as A.I.D.'s is becoming. The question is: How can A.I.D. obtain the caliber of leadership and technical expertise to continue the momentum already established?

The team realizes there are many difficulties inherent in acquiring the needed talent from the private sector, especially within the constraints of the public personnel system. There are other instruments available, however, including the I.E.S.C., the President's Commission on Personnel Interchange, and given the commitment of top management to the Initiative, direct requests to CEOs to provide the talent required, even for limited periods of time.

It may not always be necessary to recruit these talents for a career. A well articulated program of perhaps 10-12 people serving varying but limited periods of time with A.I.D. could make a difference if imaginatively deployed.

This cannot be a recruiting effort by the personnel department; success will require a focus on high level

leadership within the Agency that will be able to attract the kinds of people that could make a difference in A.I.D. operations; and see to it that they are deployed in helping A.I.D./W focus on the resolution of issues in the use of Private Enterprise mechanisms in A.I.D. programs as well as assist regions and USAIDs in special problem areas. Obviously, a Bureau for Private Enterprise would be an option - though not the only one - to exercise this kind of leadership. However, if this course is chosen, we would suggest consideration of the organization, role and staffing of PRE. As the existing organization is constituted, it may not be suited to perform as a true center of leadership and excellence in private sector matters.

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C. Private Enterprise Role of Other Bureaus and Field Missions - Policy, Program and Staffing

In terms of financial and human resources, PRE represents only a fraction of the effort A.I.D. has put into its Private Sector Initiative. A brief description of private enterprise activities in other parts of the agency is useful to put this report in a broader and more accurate context. We made no attempt to assess the quality of what other Bureaus are doing. There are, however, a few areas of effort where the respective roles of PRE and other organizational units are not clearly drawn or where coordination needs to be strengthened.

The Bureau for Program and Policy Coordination plays the leading role in formulating A.I.D.'s overall private enterprise policy. Nevertheless, PRE can contribute through a collaborative role. It appears, however, that PRE has made a limited contribution. PRE attributes this in part to a shortage of personnel and an inadequate grade structure. We tend to agree. PRE is presently attempting to remedy the situation by allocating the top slot in its Program Office to an economist, leaving day to day supervision of the office to a Deputy Office Director. That is a dubious solution, but one which seems forced on the bureau by the personnel system.

Responsibility for development of Agency policy and strategy for micro-enterprise remains with the Bureau for Science and Technology, in the Office of Rural and Institutional Development. The question of whether this activity should be moved to PRE has been raised in the past and was resolved in favor of S&T. There is a logical rationale for not placing responsibility for micro-enterprise development in the Private Enterprise Bureau. It appears that in its present site in S&T, the function has established a reputation of excellence in product and service throughout the Agency. Given this situation, there seems little to be gained by altering the present organizational pattern. However, we think that increased levels of collaboration and information exchange between PRE and the micro-enterprise unit in S&T would have mutual

benefits throughout A.I.D.'s programs.

Regional bureaus have integrated the private sector initiative into their own policy/planning processes to varying, but significant, extents. In Latin America, most missions have prepared Private Sector Strategy Statements which give the sector more comprehensive treatment than is possible within the structure of the overall Country Development Strategy Statements. Review and analysis of this strategy, plans and progress then occurs in Washington at the annual Action Plan meeting. The Africa Bureau has issued a regional Policy and Strategy document, and many of the major field missions are now in the process of drawing up country strategy statements. In Asia/Near East, private sector policy and strategy are integrated with the CDSS and Action Plan processes.

The regional bureaus have also staffed and organized themselves in keeping with the increased emphasis on the private sector. Both Latin America and Africa have established Private Enterprise Staffs at the office level, reporting directly to respective Assistant Administrators. The Asia/Near East Bureau has established a separate division within its Office of Project Development. Many country and regional missions have established positions for Private Enterprise Officers, and the number of Private Enterprise Officers on duty in A.I.D. has increased from 49 in 1983 to 74 in March 1988. The largest increase occurred

in the Foreign Service cadre, which rose from 15 to 31 over this period.

Measuring the extent and growth of A.I.D.'s financial commitment to private enterprise presents formidable definitional and statistical problems, which evidently have not yet been resolved. We were able to locate only one set of time series data, which indicates that funding for private enterprise projects grew from about 8% of total Development Assistance obligations in FY 1985 to a projected 14% in FY 1989. A contractor employed by A.I.D., working only with FY 1985 data and using various definitions, found that up to 48.6% of A.I.D.'s expenditures in that year were private sector related, including funds for policy reform.

Although there is a lack of consistent financial data in A.I.D.'s support for private enterprise programs, the little data that does exist is consistent with the team's overall impression that A.I.D.'s Private Sector Initiative is well established. The team's comments on PRE's narrower role should, therefore, be read in the context of what we see as considerable strength, breadth and momentum in A.I.D.'s Private Sector Initiative writ large.

VI. The Revolving Fund - PRE's Office of Investment

A. Evolution of PRE's Investment Program.

PRE's investment program began in fiscal year 1982 with loans to financial institutions in Thailand, Kenya, and Peru. The objectives during this start-up period included broad geographic distribution of projects and reliance on standard A.I.D. loan instruments - negotiated at market-oriented terms and conditions. Ten loans were issued during 1982-83. The majority involved intermediate financial institutions, though some provided direct financing to projects which contained co-financing features. Successes during this period included loans to the Siam Commercial Bank, and the Kenya Commercial Bank which induced these institutions to expand their credit activities to include small and medium scale enterprises (SMSEs) in rural areas. These loans achieved their own development objectives, and resulted in follow-on projects by the local A.I.D. missions.

The Private Sector Revolving Fund (PSRF) was established by Section 108 of the Foreign Assistance Act on November 14, 1983 to "assist the development of the private sector in developing countries and to engage the United States private sector in that process." The legislation stipulated that revolving fund loan projects:

(a) benefit small and medium-sized enterprises and cooperatives;

(b) involve only private entities, generally entities with no state ownership or control;

(c) provide a rate of return "at or near the prevailing interest rate paid on Treasury obligations of similar maturity at the time of obligat[ion";

(d) be innovative, financially viable and capable of stimulating the local private sector to undertake similar projects on its own

(e) be not more than $3 million for any one project;

(f) could not provide more than 50 percent of the financial support for any one project, and a "substantial portion" of such support must come from host country sources;

(g) not more than 20 percent of the assets of the revolving fund may be used in any one country.

The PSRF was designed to support the Agency's Private Sector Initiative by serving as an investment research center to develop and demonstrate ways A.I.D. could invest directly in the LDC private sector, and apply the dual criteria of commercial viability and developmental impact. The Fund has made investments at or near market rates in private businesses and intermediate financial institutions (IFIs) without host government guarantees. It was capitalized at $60 million over four years with the mandate

of operating as a self-sustaining Fund authorized to grow to $100 million. Interest, fees and repayments of principal are redeposited in the revolving fund and may be used to finance new projects.

PRE/I has concentrated on testing and refining two basic approaches for direct investments -- direct loans to establish industries, and loans or loan guarantees to private inter- mediate financial institutions (IFI, or banks) in developing countries for on-lending to small and medium sized businesses.

The primary emphasis has been on IFI projects (84% of the current portfolio). This is appropriate given the limited staff and the difficulty of identifying and implementing direct business loans. It is also appropriate because it builds an institutional capacity within IFIs to continue lending to A.I.D.'s target group. However, the IFI mechanism is easier for field missions to replicate. Thus, PRE concluded that direct investments can sometimes have a useful impact and help to position local A.I.D.s with key elements of the private sector community. Their future use should be limited to situations where they form an essential component of the comprehensive private sector strategy of a particular A.I.D. Mission.

Guarantees have proven to be a valuable mechanism in countries where banks possess the liquidity to make loans,

but are reluctant to bear the risks. The Fund provides a guaranty to financial institutions, which utilize their own resources to make loans to indigenous small and medium businesses. This experience has demonstrated the importance of focusing projects on narrow objectives, e.g. addressing the needs of small businesses for working capital and trade finance.

B. Office Staffing (PRE/I)

The Office of Investment has the responsibility for originating new PSRF investments and for managing the portfolio. It also handles standard A.I.D. program and administrative requirements in connection with the Revolving Fund, (i.e. preparation of Congressional Presentation, ABS documentation, IG and GAO audits, recruitment of Investment Office staff, response to unsolicited U.S. business proposals and congressional inquiries on behalf of constituent business).

To carry out these responsibilities, PRE/I has had a maximum of five full-time professionals, consisting of the Office Director, three investment officers and one implementation/ project monitoring officer.

Except for the Office Director, all of the staff has been recruited from the private sector, and this created some obvious problems for these individuals. For example,

while the staff (composed entirely of administratively determined, AD, employees) has brought unique banking expertise to A.I.D., they were disadvantaged by a total unfamiliarity with A.I.D. as an organization, and with A.I.D. and U.S.G. policies and procedures.

The use of AD employees to fill these positions has occurred because A.I.D. can offer neither the appropriate career track nor compensation level to recruit and retain bankers of this caliber through the Foreign Service and Civil Service system. Thus, the AD system provides an appropriate solution, despite the risk this entails during periods of presidential elections.

The assignment of one investment officer to each region of the world, responsible for the promotion and monitoring of the portfolio, represents an excessive workload. A tight travel budget exacerbates the problem, reducing the coverage that each officer can provide. Investment officers were limited to approximately 50 person days in the field during FY 87, or only 20% of the work year. The Office Director has been able to visit only two Missions during 2 1/2 years. The limitation on travel precludes an in-depth understanding of the missions' project portfolios and investment opportunities.

Nonetheless, the hiring of talented and experienced banking professionals has been one of PRE's principal

accomplishments. The banking experience (some 55 years) and management knowledge that the present staff possess are unique within A.I.D. and should be utilized as effectively as possible. Under exceedingly difficult circumstances they have made a positive contribution to the projects in which they have been involved. We found the present PRE/I staff to be dedicated, talented, flexible, and efficient in carrying out their duties. PRE/I has built up an investment office which both understands how A.I.D. operates, and is able to execute PRE/I's new strategy of direct Mission involvement in investment projects.

PRE/I's current level of operations indicate that additional staff will be required to manage the portfolio. This situation will become even more critical if a Guaranty Authority for $100 million is approved by Congress. For example, OPIC only puts together 2 or 3 deals per year, in comparision to PRE/I's annual average of 7.5 deals, and with substantially more support staff. The office will probably have to be expanded from 3 to 6 investment officers in order to meet the workload that will be generated by the guaranty fund under the PSRF. Alternately, additional expertise in the field missions could alleviate the burden of managing the Fund and the Guaranty Authority.

C. Management of the Fund

Management . The Office of Investment (PRE/I) handles the

day-to-day operation of the revolving fund. The Director serves as managing director of the fund and oversees portfolio priorities, investment approvals, and financial operations, including investment of fund assets in interest-bearing U.S. Treasury obligations.

Responsibility for the Fund's operations lies ultimately with the Assistant Administrator, and as delegated to the Deputy Assistant Administrator for the PRE Bureau. The investment of fund assets is undertaken in coordination with the Agency's Loan Management Division, Office of Financial Management (M/FM/LMD).

Development of Projects. PRE/I investment officers are responsible for the selection of projects, in coordination and consultation with resident A.I.D. field missions. Representatives of A.I.D.'s General Counsel's Office handle legal matters connected with the Bureau and are heavily involved in the negotiation process. Working within the mandate of the revolving fund legislation, the Bureau's Office of Investment develops criteria by which to identify, screen, analyze and design proposals.

The Bureau for Private Enterprise has formalized an internal review procedure for proposals recommended by investment officers for revolving fund financing. The lead group is the **Bureau's Portfolio Review Committee**. It

includes the Assistant Administrator; Deputy Assistant Administrator; Director, Office of Investment; as well as representatives of A.I.D.'s Bureau for Program and Policy Coordination and affected regional and centrally funded bureaus as appropriate.

This committee first reviews the project as an Investment Opportunity Proposal (IOP). The review focuses on the project's suitability from the standpoint of the revolving fund and of the development strategy for the affected country or countries. If the committee finds the project appropriate, further analysis and negotiations are undertaken by the parties involved. This leads to an Investment Proposal (IP), which again passes before the Portfolio Review Committee.

As part of its project review process, the Bureau for Private Enterprise in July 1983 established an external Loan Review Board composed of particularly distinguished financial executives who are knowledgeable in all types of project financing in developing countries and their associated risks. The board reviews potential revolving fund investments as to financial viability, conformity to investment credit standards, and "packaging" for maximum effect. The board has reviewed all loans made from the revolving fund. The board's recommendations, while not binding on the Bureau, have assisted in the development of sound, creditworthy investments.

Overall, the project development process seems to function well. PRE's use of the external Loan Review Board as an integral part of its project development process is an excellent approach and provides direct private sector input into the PSRF's activities. However, there appears to be a need for more in-depth involvement by the regional bureaus in the review/approval process in order to assure close coordination and analysis of PRE/I's proposed projects.

Project Monitoring. As its loan portfolio has grown and matured, the need for up-to-date information on the performance of its portfolio has expanded, both for internal managerial purposes and to share with others inside and outside A.I.D. who are interested in the performance of this experimental program. To meet this need, PRE contracted with Management Systems International (MSI) in 1986 to develop a methodology for developing evaluative information.

MSI noted that no other "comparable" programs outside of A.I.D., evidenced the level of concern for development impact or the complexity of objectives and "constituencies" implicit in the Revolving Fund's mandate. Several of these systems did, however, include methodological features of apparent utility for assessing the efforts undertaken through the Revolving Fund. The study recommends a monitoring system for the PSRF which identifies both successful and problem areas for PRE's management. The

system is in place and one of its first outputs was the project evaluations discussed below.

D. The Revolving Fund's Portfolio

1. Portfolio Characteristics

PRE/I's portfolio has responded to the various criteria established under the PSRF legislation and to many of A.I.D.'s most important goals, as demonstrated by Table 1.

PRE has used guarantee mechanisms to induce indigenous commercial banks to extend working capital and term loans to: small and medium businesses in the export sector (Morocco, Dominican Republic and Philippines) and the agro-business sector (Thailand, Philippines and Indonesia). This technique was used to originate a syndicated securitized trade financing facility in Turkey which mobilized $10 million of capital from the U.S. capital market for pre-export financing requirements of small and medium Turkish companies: the PSRF mobilized four international commercial banks to provide guarantees totalling $8 million along side the PSRF $2 million guaranty.

TABLE 1: REVOLVING FUND PROGRAM CHARACTERISTICS

Criteria	Representative Project
Financial Institution Development	Kenya Commercial Bank Diamond Trust
Employment Generation	All Projects
Foreign Exchange Generation for the Host Country	FINADE, Wafa Bank
Agribusiness/Satellite Farming Development	ABI, CBC
Small and medium-scale business development	Guatemala Guarantee Facility
Export Trade Financing	Finiber, Wafa Bank, Far East
Technology Transfer	Thai Meat, Nova Gene
Capital Market Development	Thai Venture Capital
Health	Serum Institute of India Healthlink (PATH)

Credit to Micro Businesses ACCION/AITEC

Additional applications of the loan/guarantee technique which are being explored include its use in support of placement of financial instruments by private financial institutions in the LDC capital market (Ecuador and Sri Lanka), and to mobilize long-term local currency for indigenous private financial institutions from local affiliates of U.S. businesses.

Other examples include loan guarantees with U.S. non-profit organizations such as PATH -- to develop investments with Thai and Indonesian business in the health sector utilizing U.S. technology; and with Accion/AITEC -- to provide access to commercial credit at market rates to local affiliates for on lending at market rates to micro-businesses in Latin America.

The balance of the Fund portfolio is made up of direct dollar loans to discrete projects such as Trident Foods (a U.S. joint venture fishing and processing facility in Mauritius) and the Serum Institute in India (expansion of an existing private Indian company to include measles and rabies vaccine in its product line). The PSRF has also made loans to newly established firms with the potential for

earning foreign exchange such as the Business Venture Promotions, Ltd. (the first indigenous Thai Venture Capital Company); the Caribbean Basin Corporation and Agri-Business International (U.S. venture capital companies operating in the Caribbean).

The addition of seven new loans in FY 1987 brought the Revolving Fund to its current level of 30 loans totalling $60 million.

The geographic diversity of the Revolving Fund portfolio reflects both the varying investment instruments utilized by the Revolving Fund as well as the wide range of borrowers. Presently, there are ten projects in Asia, ten in the Latin America, four in Africa, and six worldwide loans. The geographic distribution of the PSRF's portfolio has been fairly stable, as demonstrated in Table 2, with the exception being the recent expansion in Africa. As a matter of policy, PRE avoids concentrating resources in any one geographical area. This is consistent with the Revolving Fund enabling legislation which specifies that not more than 20 percent of its assets may be allocated to any single country.

TABLE 2: ALLOCATION OF REVOLVING FUND RESOURCES

($ Millions)

	FY 85		FY 86		FY 87	
Asia/Near East	$	%	$	%	$	%
	18.7	61%	28.6	64%	33.3	55%
Latin America/ Caribbean	9.4	31%	11.9	26%	14.9	25%
Africa	1.3	4%	3.3	7%	10.8	18%
Worldwide	1.2	4%	1.2	3%	1.2	2%
	30.6	100%	45.0	100%	60.2	100%

2. **Overall Performance**. As a new fund with less than four years of operating experience, the PSRF has been successful in: originating $60 million of near market rate investments with the LDC private sector that comply with the legislative criteria; influencing the lending behavior of private LDC commercial banks; engaging the U.S. private sector in the process of development of the LDC private sector (25% of PSRF investments feature U.S. businesses); introducing A.I.D. Missions to operating with the LDC private sector (Morocco, Kenya, Thailand); demonstrating that certain projects can be replicated and expanded, e.g., projects in

Kenya, Morocco, Thailand and Guatemala; and taking the steps required to develop a coordinated approach which focuses on co-design and co-financing of potential PSRF projects with the Missions.

In June 1987 MSI was contracted to conduct an in-depth study of its direct loan program and its loans to intermediate financial institutions. The study was based primarily on the field assessments of four projects, and it confirms the feasibility of using PRE's financing mechanisms to achieve private sector development objectives.

As a result of the MSI evaluation a number of important lessons have been learned that both PRE and the A.I.D. missions can utilize in the on-going development of the PSRF. The principal findings were grouped into three areas: Operational Lessons, Development Impact Lessons, and Replicability/Sustainability Lessons.*

The MSI study is consistent with the information compiled by the assessment team, and indicates that the PSRF has developed risk-sharing arrangements (collateral accounts and loan set offs) which have proven to be an effective technique for inducing private commercial banks to broaden their lending to non-traditional sectors and borrowers. It has pioneered A.I.D. activity in the area of

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*See Annex___for a detailed summary of the MSI evaluation data regarding lessons learned.

venture capital and trade financing specifically and generally the introduction of private commercial banks into the A.I.D. arena of economic development.

It is clear that PRE/I was initially under pressure to generate PSRF activity and as a result devoted limited attention to A.I.D. Missions as its clients. Therefore, during PRE's early years the lack of direct involvement of the regional bureaus, and more importantly, of the field missions in the design and implementation of the projects created a situation in which PRE was not able to influence, to any significant degree, the way A.I.D. does business with the private sector.

Although it is apparent that PRE/I has attempted to overcome this predicament, the fact remains that the PSRF is not well known or understood throughout A.I.D., and therefore, remains somewhat isolated within A.I.D.. This is readily understood when one compares the PSRF's limited worldwide presence to the widespread acceptance and level of field requests for services under PRE's technical assistance contracts (PEDS, Center for Privatization, and Financial Markets). In response to this situation, PRE/I's approach has changed dramatically. At the present time the program identifies the A.I.D. Missions as the principal client of the Fund, and seeks to actively develop investments which are consistent with Mission strategies and which will be considered by Missions as part of their own portfolio.

This change in PRE/I's operating style, focus and emphasis began in late FY 85 and was incorporated in the FY 86 Management Plan for PRE/I and the PSRF. The Mission client concept became more explicit in FY 87 as co-design and co-financing became a key criteria in identification and origination of PSRF investments. Furthermore, experience over the past two years indicates that the most easily established co-financing arrangement is where the PSRF finances the investment and the Missions fund related technical assistance.

Nevertheless, the assessment team is not convinced that the nature and degree of both regional bureau and mission involvement is sufficient under present organizational arrangements within A.I.D.. Furthermore, we question whether the new PRE approach will in fact provide PRE with the opportunity to assume a key role in the Agency's private sector initiative from the standpoint of both policy and programmatic impact.

Due to the innovative nature of the PSRF and the risks inherent in financing projects in LDCs, it is not surprising that a number of PRE/I's projects have been unsuccesssful. This would include the IMF and ABI projects; and perhaps the Finiber, Finade, and CBC projects. The question is asked if more failures are possible. Obviously, due to the realities of business, the international marketplace, and the fragile economies of the LDCs other projects will fail in the future. As long as the PSRF is prepared to take risk, there will be both success and failure. We would agree with

PRE that this risk can be managed. However, this is based on the availability of adequate staff and a management structure that will facilitate the direct participation of the regional bureaus.

To date ten(10) projects have been terminated (i.e. in A.I.D. terminology, "deobligated") for various reasons. It should be noted, however, that PRE's skill in, and understanding of the need to stem further financial losses is a critical element in the banking expertise and innovativeness that is in the Bureau's mandate. Therefore, these projects (including 7 that were pre-PSRF) which were closed out do not necessarily reflect poor judgement or a lack of a sound project design in the original development of a given project.

It is also important to point out that the A.I.D.'s traditional programs with IFIs typically offer credit at concessional rates for development lending, which is in contrast to the PSRF's market rate loans. Also, PRE/I's projects are in many cases developed with private financial institutions and companies which have not had a long relationship with A.I.D. (if any at all) and are unfamiliar with USG programs and regulations.

We found that the following principal factors led, in many cases to the early termination of the above PSRF projects:

- inability of local investors to raise the agreed upon capital

- Shift in economic situation and change in the business

climate, that creates new perceived risks.

- The on-going internal A.I.D. struggle regarding focus: i.e., between the credit worthiness of potential IFIs or clients and the focus on developmental impact of the projects.

- In the early years, there was a tendency to design intricate and ground-breaking financial instruments that focused on the packaging of a loan instead of the project's objectives or PRE/I's capacity to manage such a deal. This often resulted in an elegant financial construct which was far afield from a typical A.I.D. Mission's ability to understand, assist in the implementation of, or consider replicating a given project.

Overall, it is clear that the PSRF has operated under several institutional and operational constraints which have had a direct influence on the implementation of this program. These constraints included: the lack of Mission involvement (i.e. committment) in the design and implementation of the PSRF projects; unfamiliarity on the part of the original group of investment officers with the A.I.D. bureauracy; and a modest level of resources (annual average of $20 million worldwide, currrently 30 investments in 15 countries) that precluded the PSRF from having a major impact in terms of resources, policy, or project design.

3. Current Strategy/Focus

During FY 1987 the following major themes were emphasized in the development and growth of the Revolving Fund portfolio and it is anticipated that these areas will continue to be given emphasis in future years: (1) the encouragement of joint collaboration between PRE and the bilateral A.I.D. Missions in the design and/or financing of loan facilities; (2) the development of innovative financial mechanisms; and (3) the promotion of greater involvement by the U.S. private sector in Revolving Fund activities.

PRE/I's principal objective for the next few years is to demonstrate that the PSRF concept, has, and continues to make a significant contribution to A.I.D.'s private sector initiative. Directly related to this objective is the anticipated authorization of the Investment Guaranty Fund and funding of this initiative in FY 89.

The development of co-designed and co-financed investments as first articulated in the FY 86 Management Plan will continue as a principal criteria for decisions on where and what investments will be undertaken by the PSRF, and where PRE/I focuses its human and financial resources. For example, in FY 1987, five of the seven investments made were co-designed and three were co-financed with A.I.D. missions.

Related activities that will be undertaken in support of

PRE/I's strategy include: a program to draw the U.S. Business Promotion initiative (a new PRE effort) and other resources into comprehensive programs in support of key missions; and the introduction of new investment concepts to PRE's Revolving Fund, in line with the needs of its markets (A.I.D.s and host countries).

Although PRE/I's objectives are consistent with A.I.D. policy and PRE's past and current activities, we find them to be overly ambitious when one considers PRE/I's limited resources. Furthermore, these goals assume that more innovation is appropriate and that PRE should engage in direct business promotion efforts. On the contrary, we believe that PRE/I should reduce its emphasis on designing creative financial instruments due to a widely held perception that this approach does not provide a "product" which the Missions understand and are interested in replicating, except on a limited basis. In our opinion, the appropriate strategy would be to identify a development problem or opportunity in a given country and jointly design a project to address this situation with a straightforward financial package.

In the case of business promotion, the effective implementation of such a complex initiative requires an operational base in the host country. Therefore, as a Washington based office, PRE is not in a position to do so, and more importantly this type of initiative should remain the responsibility of the missions. In summary, PRE/I should limit the scope of its operations to those activities that can be effectively integrated into the missions' strategies and programs, and that give primary program management responsibility to

the field.

4. New Initiative - Guarantee Authority

A.I.D. is proposing to enhance its private sector Revolving Fund investment program in FY 1989 to include $100 million guaranty authority to directly guarantee private investments in developing countries. Use of the guaranty mechanism would permit A.I.D. to expand its investment activities significantly without corresponding increases in outlays or appropriations.

To date, the following legislative recommendations have been made as to the management of the guarantee:

- the kinds of projects that will be funded under the guarantee will be the same as those funded under the PSRF. This statute, FAA Section 108, will remain unchanged as to purpose and focus;

- the bulk of the guarantee program will be made through local, private intermediate financial institutions (IFIs) in the LDC's;

- The IFIs will assume no less than 50% of the risk of each project undertaken;

- the PSRF will maintain an account with Treasury with an adequate balance to reserve against the guarantee (25% of

all guarantees made).

Experience to date shows that most, though not all, of the private sector investments now financed by direct dollar loans from the Revolving Fund or from Development Assistant accounts could be supported by the issuance of guarantees. The proposed new authority would give A.I.D. the option to issue full faith and credit guarantees in lieu of direct loans to support such investments whenever this is feasible.

We are concerned about PRE/I's ability to successfully carry out this new expanded program. Given its limited staff, and our perception that neither the regional bureaus nor the missions participate to a significant degree in the PSRF's activities, we do not believe that PRE will be in a position to develop and monitor an expanded PSRF. At the same time, and more importantly, in the absence of a comprehensive structural revision in PRE's management of the PSRF, we are certain that the guarantee authority will not have a significant impact on A.I.D.'s private sector initiative.

Consequently, in order assure that the resources of the PSRF are utilized to achieve A.I.D.'s development objectives on a broad scale, the Agency's senior management should determine how the regional bureaus and missions can become responsible for the allocation, design, and monitoring of the new guarantee authority, and future PSRF activities. This has been a critical problem throughout PRE's history, and although we acknowledge the value of the Bureau's current focus on coordinated planning, this is not, in

5. Proposed New Organizational Structure

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This lack of an integrated approach has been a critical problem throughout PRE's history, and although we acknowledge the value of the Bureau's current focus on coordinated planning, this is not, in and of itself, satisfactory as a means of obtaining Agency wide support and accountability. Therefore, we propose that the overall direction for the PSRF be lodged in a new body which would share this responsibility more broadly throughout the Agency. The management of the PSRF should remain in PRE, but it would operate under the policy direction of a "board of directors" drawn from the regional bureaus, as well as PRE.

Specifically, we suggest that A.I.D. incorporate the Fund and its succesor Guaranty Authority under the direction of a "Board" consisting of the Assistant Administrators of the regional bureaus and PRE. The Administrator should appoint a chairperson of his choice. It would be responsible for:

- Determining the broad annual allocations for the PSRF;
- Approval of annual and 3 year business plans for the Fund
- Providing policy guidance on the terms, conditions and general features concerning the design and implementation of the projects;
- The monitoring and evaluation of the operations of the PSRF;

- Represent the Agency before Congress, multilateral organizations, and bilateral donor nations on all matters concerning the PSRF.

The PRE/I office would serve as "General Manager" and continue to carry out its current responsibilities in project design/loan negotiations, implementation "troubleshooting" under the general policy direction of the "Board".

This proposed structure would give the field missions and regional bureaus a way of "buying-in" in a substantive fashion to the objectives of the Fund. The missions would be motivated to apply this unique new resource for the achievement of country program objectives, and to bring forward their ideas and proposals in the program planning process (e.g., CDSS, Action Plans). Relying on the technical expertise of PRE/I's staff, the USAIDs would participate in the early stages of project design and accept responsibility for the "day to day" implementation of the projects.

It is further recommended that a special task force be named to consider this organizational proposal, and develop detailed guidelines which would govern the operations of the PSRF in this new corporate form.

E. Summary Findings and Conclusions

Portfolio Performance

1. PRE/I's management of the PSRF has been successful in the placement of $60 million of near market rate investments with the LDC private sector that comply with both the legislative criteria and A.I.D.'s private sector program objectives.

2. PRE/I has concentrated on testing and refining two basic "models" or approaches for direct investments: direct loans to industries; and loans or loan guarantees to private intermediate financial institutions for on-lending to small and medium sized businesses. Appropriately, recent emphasis has been placed on projects with IFIs given the difficulty of identifying and implementing direct business loans.

As an integral part of this strategy, PRE/I has developed risk-sharing arrangements (collateral accounts and loan set offs) that have proven to be an effective technique for inducing private commercial banks to broaden their lending to non-traditional sectors and borrowers.

3. In the early years, the PSRF operated in an independent mode, focused on building the portfolio, and functioned in relative isolation from the Agency's bureaus and missions. This initial approach was one of the principal factors in PRE's failure to become

a program which has great significance for the Agency's private sector initiative.

4. However, this situation has changed dramatically due to present PRE management, and more specifically the PRE/I Office Director. Presently, the program identifies the A.I.D. Missions as the principal client of the Fund, and seeks to actively develop investments which are consistent with Mission strategies and which will be considered by Missions as part of their own portfolio.

5. Due to the innovative nature of the PSRF and the risks inherent in financing projects in LDCs, it is not surprising that a number of PRE/I's projects have been unsuccesssful. We believe that A.I.D. should be prepared to take such risks, when and if, such a project is integrated into the missions' programs.

6. Several projects have been terminated for various reasons. It should be noted, however, that PRE's skill in, and understanding of the need to stem further financial losses is a critical element in the banking expertise and innovativeness that is in the Bureau's mandate.

We found that several factors often led to the termination of many projects:

o inability of local investors to raise the agreed upon capital

- o shift in economic situation, and change in the business climate, that creates new perceived risks

- o the selected private financial institutions and companies were unfamiliar with USG programs and regulations.

- o initially, there was a tendency to design intricate and pioneering financial instruments that focused on the packaging of a loan instead of the project's objectives or PRE/I's capacity to manage such a deal.

7. PRE/I has operated under several institutional and operational constraints which have had a direct influence on the implementation of the PSRF program, and that precluded the Fund from achieving a major impact in terms of mission programs. These constraints would include: the lack of mission involvement in the PSRF projects; the unfamiliarity of PRE/I's original staff with A.I.D. policies and procedures; and a modest level of resources (annual average of $20 million worldwide).

Management and Staffing

1. We found the present PRE/I staff to be dedicated, talented, flexible, and efficient in carrying out their duties. The banking experience (some 55 years) and management knowledge that they possess are unique within A.I.D. and should be utilized to the maximum extent possible.

2. The nature and degree of both regional bureau and mission involvement is unsatisfactory under A.I.D.'s present organizational arrangements. Without a comprehensive structural revision in PRE's management of the PSRF, we are certain that the PSRF will merely continue to play a marginal role in A.I.D.'s overall private sector initiative.

3. The critical factor that must be considered is the means of assuring direct and in-depth participation of the regional bureaus in the allocation, design, and monitoring of future PSRF activities. Therefore, we believe that the management of the PSRF should be restructured in a manner that will assure broad based agency involvement and the continued use of PRE/I's technical expertise.

VII. TECHNICAL ASSISTANCE SERVICES - PROJECT DEVELOPMENT OFFICE

A. Purpose and Historical Perspective

The Project Development Office plans and manages centrally funded projects to support Agency and mission capacity to foster market-based economic growth. The Office currently manages three service contracts. The PD Office also provides administrative support for the International Executive Service Corps and the training contract, and is

developing a new services contract to promote trade and technology transfer.

Historically, PRE Bureau's project development function was included in the Program Office. Prior to 1985, projects were directed at expanding U.S. business involvement in the developing world, through organizations like the World Trade Center and the Young President's Organization (YPO). These activities produced disappointing results, although some results such as a YPO chapter in Africa may encourage regional and international business.

In 1985, PRE Bureau shifted to a service-oriented portfolio designed to support private enterprise within the mainstream of A.I.D. programs. The Project Development Office was spun off from the Program Office and expanded to manage the three support contracts authorized in 1985. The services focussed on: 1) Private Enterprise Development Support for overall strategy and project design assistance; 2) Privatization of public enterprise; and 3) Financial Market Development.

B. Office Staffing

The Project Development Office currently has nine direct hire positions. These include the Director, three project development officers (Foreign Service Officers), three general business specialists (Civil Service) and two support staff.

Two positions are currently not filled, with a candidate selected for one of these positions.

There is one staff member, an administrative appointee, with private banking experience. All others are career A.I.D. officers. One officer has industrial and small business development experience both overseas and with the Small Business Administration. Two officers have served as private sector officers overseas.

The blend of civil service and foreign service professionals, and of those with Agency experience and private sector experience is reflected throughout the PRE Bureau and other central Bureaus. A knowledge of A.I.D. bureaucratic procedures and development economics is essential to providing effective services. Nonetheless, the paucity of staff with business experience represents an area of inadequacy which is partly compensated by recruiting these skills through contracts. Both skills must be represented if sound policy environments, market forces and business creativity are to be injected into the mainstream of Agency programs and policy reform efforts.

The Office Director provides management oversight and program guidance. Three professionals manage the service contracts, and are expected to distill the "intellectual value added", e.g. to synthesize agency experience and to flag issues, as well as to respond to mission requests, coordinate

evaluations, and design follow-on projects. A fifth professional handles the International Executive Service Corps program and the training program. The arrival of the sixth professional is expected to result in a Deputy Office Director position who handles trade and technology transfer projects.

Until FY 1988, the Office had no travel budget, and trips were limited to one or two per year for the entire staff. This constrained their ability to obtain meaningful feedback from client missions on their services. The limited travel undertaken during the current FY has produced new areas of cooperation in missions not requesting services before. Travel can be targetted to regions and missions which have inadequately utilized services, as well as the frequent users.

C. Private Enterprise Development Support (PEDS) Project

The first Private Enterprise Development Support Project (PEDS I) was awarded on September 30, 1985 for $1.2 million with Coopers and Lybrand for a two year period. Demand was high, and funds were expended by March 1987. An Interim PEDS contract was signed in July 1987 for $1.6 m. over two years. The PEDS II contract was awarded on September 30, 1987 to Arthur Young, Inc. for a total of $20 million over five years.

The scope of PEDS contracts is broad. It includes:

- program strategy and project development for private sector development or related policy reform;

- policy reform studies such as assessments and planning for regulatory or legislative constraints;

- assistance in export promotion, free trade zones, business associations, industrial development, commercialization of technology and regional or local development; and

- analysis of A.I.D. and other donor portfolios and private enterprise programs or mechanisms, to provide "state of the arts" information.

A.I.D. missions or regional Bureaus originated 33 requests and PRE or other A.I.D./W offices requested 14 activities, totalling 47 requests under the three contracts. The Asia and Near East (ANE) region led the regional demand with 20 activities. Latin America had 12 requests. Africa had one request, since missions drew on an Africa Bureau support project.

The LAC Bureau initiatied the first request: a review of all private sector projects throughout the region in November

1985. Later, LAC Bureau requested assistance to develop a data base of private sector objectives and performance as part of the Action Plan, and a follow-up private sector "stock-taking" exercise. LAC mission requests were for investment studies, private sector assessments, free trade zones, export development laws and investment laws.

The ANE Bureau received assistance for a comparative incentive study for trade and investment in key Asian countries, followed by a specific study for Indonesia; strategy and project development assistance, especially in the trade area; a Bangladesh-U.S. Business Council Strategy; program evaluation, investment promotion literature search and an industrial development reconnaissance.

The PRE requests included a range of activities, such as the development of a consultant roster, development of the private enterprise training course, a study of small-scale loan guaranty mechanisms, evaluations, preparation of an A.I.D. publication on accomplishments in private enterprise development, a review of mission strategy statements for private enterprise content, analytical framework for private sector diagnosis, a conference on food aid resources for private enterprise credit and a PRE retreat.

The PEDS I contract was utilized for broad reconnaissance work at a time when the Agency was struggling to define its role in private enterprise development. The PEDS II contract

focusses on an important new element: the preparation of state of the arts papers. This task, which is of special interest for SRI, provides a vehicle for much-needed leadership in assessing what the Agency has accomplished in mainstream areas, such as low-cost, private health delivery mechanisms and policy reforms for health, population services, agricultural marketing and overall employment generation related to meeting the basic needs of the population in a manner which also produces broad-based economic growth.

The PEDS II contract has two prime sub-contractors: 1) Stanford Research Institute (SRI), which offers unique expertise in international business policy, economic competitiveness, health policy, science and technology policy, employment and training research, health and food industry; and 2) Management Systems International, which specializes in business training, business center development and employee stock ownership programs. There are ten sub-contractors representing a variety of specializations.

The PEDS contracts have been well utilized, impacting on mission strategies, programs and projects, as well as defining and developing the policy reform agenda. Demand has been high, resulting in significant budgetary increases as well as a longer time frame for PEDS II. The enhanced analytical focus of PEDS II demonstrates that the Agency has now grasped the main elements of a private sector approach, and now requires more specific analysis of its experience in specific

sub-sectors.

The PEDS contract complements other sources of assistance for similar services provided by regional Bureaus. The provision of alternatives to missions is a sound practice, because it allows missions more latitude in developing relationships with contractors in different aspects of private enterprise development. There is also scope for cross-fertilization among the various contracts. From the patterns of use, it is apparent that missions benefit from continuity of assistance, and from the "intellectual value-added" based on experience, both of the contractor and of the PRE project manager. This type of relationship provides missions with country- and program-specific knowledge not available on their staff.

D. Financial Markets Project

The Financial Markets Project was created to focus on private sector financial markets development to stimulate indigenous private enterprise, through fostering the evolution of financial market institutions to mobilize domestic capital for productive enterprise. PRE signed a three-year contract with Arthur Young and Company in September 1985. The $1,920,460 contract has been amended four times to augment the authorized funding level to $2,896,507.

The contract provides technical assistance for:

- policy analysis of financial market constraints, legal and regulatory environment, middlemen, tax systems for corporations and individuals, accounting systems and accountability in terms of penalties;

- financial markets assessment and marketing of financial services, for commercial, investment and merchant banks; development finance corporations; savings and loans; credit unions; venture capital firms, leasing companies, pension funds, export trading companies and insurance companies;

- institutional assessment and management training, accounting and auditing;

- the economic and political environment in terms of growth, "open-ness", and economic analysis;

- government attitudes toward private enterprise.

Bilateral A.I.D. Missions in 25 countries have utilized the contract services, and six buy-ins have occurred. Sixteen financial market surveys have been carried out, including eight in LAC, six in ANE and four in Africa. Over thirty short term consultancies have been carried out in 18 countries. ANE was the heaviest user, contracting for 16 consultancies in eight missions. Latin America was the second

most frequent user, with thirteen consultancies in seven countries. In addition to bilateral consultancies, research reports have been prepared on financial markets repression, interest rates, micro credit and venture capital. These were distributed throughout A.I.D./W and to interested missions. A pilot bank training activity is planned for West Africa for host country staff.

Response time to mission requests has been excellent, averaging three weeks. Nearly 75% of mission requests are for immediate services, requested to commence within 2-4 weeks. This reflects a lack of forward consultation by missions with the PRE project manager. More specialized assistance may take longer, but missions appear to be satisfied with the services received.

Indonesia provides an example of a mission which has utilized the contract several times, including technical assistance from the Securities and Exchange Commission. This assistance has enabled the government and the mission to develop a comprehensive approach to financial markets development, resulting in a proposed 6-year, $15 million project.

The Financial Market Project provides effective assistance in a focussed, well-defined area which is essential for sustained, equitable growth. Host governments and Missions are clearly benefitting from needed service to

examine incentives and disincentives for indigenous and international business. The emphasis on stock markets, over the counter markets and other financial market institutions is important for local small and medium business development, and enhances the prospects for successful privatization, insofar as local stock purchases provide a politically and socially acceptable alternative for ownership by foreign or crony capitalists.

E. The Center for Privatization

The Center for Privatization (CFP) is a highlight of A.I.D.'s Private Sector Initiative. The Center is a technical assistance team established under A.I.D.'s contract with Analysis Group, Inc., a minority-owned engineering and technical services firm. The Center is a consortium of six companies representing a complementary blend of expertise relevant to the privatization process. The contract was awarded on the basis of a concept paper, since there was no consensus in 1985 within the Agency or the development community with respect to a "blue print" for privatization.

The objectives of the Center are to provide expert advisory services to developing country governments and private sectors, and to A.I.D. and A.I.D. Missions, to plan and implement programs for divestiture and privatization of state-owned enterprises. The Center also develops strategies and guidance for privatization and maintains "state of the

arts" information with respect to privatization activities throughout the world.

The establishment of the Center coincided with an A.I.D.-sponsored Privatization Conference in February 1986. With 450 professionals from over 40 nations, the conference was among A.I.D.'s most successful, and proved to be a catalytic event which focussed world attention on privatization. The Conference was among the most successful and widely acclaimed in the history of the Agency. The Conference ended with the pronouncement of a new A.I.D. policy whereby each of 40 bilateral A.I.D. missions would be involved in an average of at least two privatization activities by the end of FY 1987.

The Conference and the new policy goal placed the Center for Privatization on center stage. Mission demand began to flow. The $7.4 m. contract has been amended five times to increase the level of effort to over $15 m., including a $3 m. buy-in from Honduras. PRE Bureau has requested another amendment to increase the contract to $25.4 million.

The Center has dispatched over 100 consultants to 32 countries in a variety of services: Nearly 20% of requests have been for a conference, a specific study or training. About 35% have been for strategy development. Over 45% of services have been for specific privatization assessments, ranging from agricultural holding and marketing boards to hotels, solid waste collection, electric companies, insurance,

banking, airlines, textiles, pharmaceuticals and telecommunications. In two countries, the Center has designed a divestiture organization or procedure. The Center has also reached approximately 4 million people in target countries with television programs on privatization.

The first privatization was a banana plantation in Belize, which was sold to peasant farmers in a cooperative. An under-utilized, "white elephant" foundry in Honduras was sold to a U.S. company which will manufacture parts for a U.S. product. The Center has documented the privatization of the National Commercial Bank, Jamaica's largest bank, to 30,000 Jamaican share holders, including 98% of the bank's employees. This offering was politically popular and enjoyed the support of the bank's management and staff, who benefitted from a generous employee share scheme. The Center has provided consultations for specific SOE's in 27 countries.

More importantly, the Center has begun to lay the groundwork, often painstakingly, of policy commitment, public awareness, the laborious process of sorting out legal entanglement, establishing market value and finding interested (and politically acceptable) buyers. In addition to providing technical services, the Center has prepared analytical documents relating privatization to the overall climate for private enterprise within a country. It has generated public debate by organizing Round Table discussions which have made the Center known among donors such as the World Bank.

The Center is a fledgling institution which is developing a reputation as a possible center for excellence in the newly popular subject of privatization. It has a staff of five professionals and six support staff. The Executive Director was the Chairman and CEO of SCM Corporation, a diversified manufacturing company. The Deputy Director is a founder and former CEO of LogEtronics Inc., a successful small business capital equipment manufacturer and exporter, and an advisor to the EXIM Bank, the Department of Commerce and the U.S. Trade Rep. Two assistant directors with responsibility for regional coverage are retired Foreign Service Officers. The Director of Research is an expert in small business and management training. The uniqueness of the challenge has enabled the Center to attract top private experts at government rates.

Some missions have pursued privatization activities without assistance from the Center. The ADMARK Holding Company in Malawi was serviced by another contractor, which benefitted from literature prepared by the Center. The CONESI Holding Company in Costa Rica was privatized with other assistance. Missions such as Egypt and Jordan have in-house privatization expertise, which is a cost effective approach where mission and host government interest is substantial.

A clear success for the Center has occurred in Honduras, which initiated a privatization strategy in 1984, and passed

authorizing legislation in 1985. In January 1986, the new government requested CFP assistance to transfer the holdings of CONADI, the National Investment Corporation, to the private sector. The CFP has provided assistance as required. Since April 1987, a $2.9 million, 30-month contract has provided a technical assistance team. The complex process of valuation, public auction and direct negotiation set forth in the legislation has been undertaken for about 14 companies, some active and some inactive. Three companies have been sold to private investors. The team is also assisting the forestry corporation to divest several saw mills.

The PRE Bureau has insisted that CFP assistance can be provided only if a government has demonstrated a clear commitment to privatization. This policy may have been applied arbitrarily and could be at odds with the A.I.D. policy, which did not specify this condition. Several requests were turned down: two missions subsequently received assistance after demonstrating a greater commitment, and a third country turned to the World Bank.

Some governments or missions requests may be for specific enterprises which have a poor chance of successful privatization. The selection of an enterprise which fails risks souring all participants on privatization and setting the process back, rather than moving it forward. The Center is now screening requests to enhance the chances of success.

While still fledgling as an institution, the Center has become a valuable resource in the privatization process. It has attracted the attention of the World Bank and UNDP, and has provided services to many governments through A.I.D. missions.

The next challenge for the Center is to work out its existence as a private entity rather than a contract team. As an independent entity, the Center could be supported through a cooperative agreement, and eventually contract with A.I.D. and other donors or clients. This would be more cost effective for A.I.D. and would strengthen the Center as an institution.

F. International Executive Service Corps (I.E.S.C.)

I.E.S.C. is a private voluntary organization of mainly retired business executives who volunteer for short term (up to three months) assignments to give specific technical assistance to business enterprises in the LDC's. There are nearly 10,000 individuals registered with I.E.S.C. as potential volunteers. The current level of activity is about 600 assignments per year. Assignments are generated and administered in the field by 32 resident country directors.

A.I.D. has provided support for the I.E.S.C. since its inception in 1964. PRE inherited the responsibility for administering A.I.D. support for I.E.S.C. in 1981, and the grant now consumes half of PRE's annual budget resources,

total[5] $13.8 million, of which $7.8 is from A.I.D. ($5.0 from PRE and $2.8 from various field missions), $5.3 from LDC client contributions, and $650,000 from U.S. corporate sponsors. I.E.S.C.'s level of operations peaked in the 1970-74 period with 2,978 activities and declined steadily thereafter until 1984. The increased level of operations which began in 1984 coincided with some changes in I.E.S.C. leadership, A.I.D.'s renewed emphasis on the private sector, higher levels of supplementary funding from A.I.D. field missions, and a generally more proactive stance which PRE took with I.E.S.C. at about that time. I.E.S.C.'s 1988 annual plan calls for 682 activity starts, increasing to a level of 1,000 in 1992.

Based on communications from A.I.D. field missions, interviews with mission and regional Bureau personnel, and a recent evaluation, the assessment team concludes that the I.E.S.C. program has been and is continuing to be successful, whether measured in terms of its contribution to A.I.D.'s overall program in the field or in terms of client firm satisfaction. Evolving relationships with A.I.D. field missions do present some issues noted below. However, these are invariably viewed as a normal part of the process of integrating I.E.S.C. programs more closely with A.I.D. and do not outweigh the overall result, which is regarded by the field missions as being quite positive. The positive field view on the program's impact is consistent with the results of a recent evaluation commissioned by PRE, in which the

contractors found that of the LDC client businesses interviewed, 62% were "highly satisfied" with I.E.S.C. services and 24% "mostly satisfied".

Prior to PRE's assumption of responsibility for management of the I.E.S.C. grant, there was apparently the normal, relatively low level of oversight and involvement usually associated with A.I.D. grants to independent voluntary organizations. However, when PRE began managing the grant, and certainly by 1984, the intensity and closeness of the A.I.D./ I.E.S.C. relationship increased significantly, both in the U.S. and the field. Responsible I.E.S.C. executives told us that they welcome the more active dialogue which has come with closer A.I.D. involvement. (Certainly, there has also been a steady and significant increase in the volume of I.E.S.C. activitity, from 371 new starts in 1983 to 682 planned in 1988.) The A.I.D./I.E.S.C. dialogue centers around two somewhat related issues. One is the priority to be given small to medium vs. large LDC business clients. A.I.D. stresses the former, whereas I.E.S.C. tends to find clients across a broader spectrum, including larger enterprises. I.E.S.C. costs and their charges to clients are related to the small vs. large issue because it is the larger client who can usually afford to pay fees, and I.E.S.C. in fact is able to accept more small clients because the larger ones can pay relatively more, in effect subsidizing the smaller client activities.

Our perception of the PRE/I.E.S.C. relationship is that there is a good, healthy dialogue going on between PRE and I.E.S.C. headquarters, and that there is a generally high degree of mutuality in objectives which serves the U.S. well. Overseas, the relationships are not as well developed. Despite the large increase in A.I.D. field mission supplemental funding for I.E.S.C. (from $625,000 in 1983 to $1.3 million in 1986), A.I.D.'s field missions and both A.I.D. and I.E.S.C. headquarters are aware of the need for better communication at the field level. Related to this, there also appears to be a need for better communication between the respective headquarters and their field units.

Other than the general need for better communications, we observed two other points that require analysis and resolution. For several years, I.E.S.C. has, according to their account, run virtually out of funds while waiting for authorization of each year's A.I.D. grant. (This may result, in part, from PRE's reluctant compliance with an A.I.D. Inspector General recommendation to reduce I.E.S.C. working capital.) The assessment team observes that A.I.D. has supported I.E.S.C. since 1964, that I.E.S.C. activities are now more closely related to A.I.D.'s priorities than at any time in the past, and that A.I.D. funding will undoubtedly continue. In view of the foregoing, we believe A.I.D. should establish a reasonable degree of forward funding, similar to that accorded contractual relationships, to eliminate the

unnecessary annual funding crunch which I.E.S.C. faces.

The other issue we encountered in discussions with I.E.S.C. and in communications from the field was one of doctrinal purity. PRE administration of the I.E.S.C. grant has held strictly to the line that I.E.S.C. services were not to be made available to LDC enterprises even partially state-owned. While they understood the general principle underlying the prohibition, both I.E.S.C. and field sources felt that some exceptions would benefit the program and should be allowed. They point out that some public or part-public enterprises affect the overall climate for private enterprise and that I.E.S.C. assistance to those public enterprises can have a positive, albeit indirect, effect on private enterprise. Further, in the broader context of U.S./host country relations, an occasional assist to a parastatal under these circumstances can enhance the entire relationship and contribute to overall program success. Moreover, it might open the door to a dialogue on more efficient ways to operate the parastatal, including privatization.

On the whole, we found the I.E.S.C. program to be well managed. The relationship between A.I.D. and I.E.S.C. appears more vital than ever before. A.I.D. values I.E.S.C.'s contributions to the Agency's objectives, and I.E.S.C. responds to A.I.D.'s concerns to an extent appropriate to its circumstances and its private voluntary status. A.I.D.'s oversight and monitoring seem to have been adequate,

including, audits and the evaluation noted earlier. PRE seems in our opinion to have struck about the right balance in "managing" the I.E.S.C. grant at this point. While a little more structure in communications and reporting may be desirable, particularly in the field, PRE should take care that the currently close relationship with I.E.S.C. does not evolve into a tendency for PRE to overmanage the I.E.S.C. program.

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G. Training Course: Role of the Private Sector in Development

PRE and the Training Division of A.I.D's Office of Personnel Management jointly initiated in 1984 a training course, the Role of the Private Sector in Development (RPSD), designed to demonstrate to A.I.D. professionals the advantages of working with and through the private sector in A.I.D.'s development projects and to impart a set of private sector technical skills to enable them to do so. The course thus supports two of PRE's overall objectives mentioned earlier, i.e. the promotional objective of encouraging A.I.D. to make more extensive use of private sector, market-based means of stimulating economic growth; and the institutional objective of building capacity within the Agency to plan and carry out private sector strategies and programs. Through 1987, 118 A.I.D. personnel had attended the two-week course, about three-fourths of them Foreign Service personnel. (There are about 1,500 A.I.D. Foreign Service officers in program and technical positions.)

An evaluation of RPSD was done in late 1987, based on interviews with over half of the people who had attended the course through 1986. The findings of the evaluation contractor, Management Systems International (MSI) were quite positive. Eighty percent of attendees felt that the course was responsible for positive attitudinal changes toward the use of the private sector in development. A similar proportion actually applied course information in the conduct of their work. Virtually all participants felt the course should be continued. MSI recommended that future courses be targeted for certain administrative strata, e.g. Mission Directors, or by region, and that some courses be given in the field. The contractor also recommended that course content reflect a change in emphasis away from attitudinal change to skills acquisition. A.I.D. officers attending the course also suggested that it be redesigned and made available to host country officials and private sector participants.

The assessment team interviewed personnel in A.I.D./W familiar with RPSD and obtained comments from field missions whose personnel had attended the course. The information we received was wholly consistent with the evaluation findings and recommendations. Based on this information and in the context of our overall observations of PRE, we believe the recommendations of the evaluation contractor are sound. In particular, we support the idea of giving A.I.D. Mission Directors a concentrated exposure to private enterprise sector

program concepts. We found that A.I.D.'s policy of emphasis on the private sector is widely accepted at A.I.D./W and field leadership level and probably needs little reinforcement. However, a short course focussed on the practical essentials of how Directors can incorporate private enterprise considerations into their on-going and future country programs would be useful in translating policy into programs.

Problems with logistical management of RPSD did occur in 1986 and to a lesser extent in 1987, but these were directly attributable to the contractor employed and evidently did not affect course content or effectiveness. PRE personnel managing the training activity are well aware of its role in support of Bureau objectives and of the need for the course to meet requirements of the field Missions. Information on field requirements is generated through feedback from course participants. In addition, the Private Sector Council has established a training subcommittee to advise PRE on how the course needs to be changed to meet evolving needs.

With a course like RPSD, there are two potential problems to be alert for, i.e. that the course may outlive its usefulness and/or that its content may become out of date or irrelevant. Neither is presently a problem with RPSD. The course appears essential to reach A.I.D.'s private sector objectives; since it has reached a relatively small proportion of A.I.D. officers thus far, it should be continued. Adequate means appear to be in place to maintain the freshness and

relevance of the course content. Normal, periodic management review of the priority and content of the course as related to PRE objectives is all that seems required. At this point, more attention could be devoted to second-generation courses, e.g. the one suggested for Mission Directors. Another useful suggestion made to the team was that more private sector material should be incorporated into other existing courses, e.g. the Development Studies Program and the Senior Management Course.

H. Agency and Mission Views

Regional Bureaus, with the notable exception of ANE, stated that PRE Bureau programs were not very relevant. The LAC Bureau strongly felt it had out-performed the PRE Bureau by taking a lead in private enterprise development. Since the Alliance for Progress, the LAC Bureau has been involved with private sector development through financial activities, cooperatives and credit unions. Yet LAC missions and LAC in Washington utilized the three support contracts to the benefit of the missions and the entire LAC program. The only debt-equity program supported by PRE was in the Dominican Republic. The largest privatization program is in Honduras. Most Central American missions have received assistance in financial market development, and a new trend is beginning in export promotion. LAC appears to be benefitting from PRE services more than Bureau management may recognize.

LAC field missions were supportive of PRE. One mission recommended more travel by PRE staff, to make services better known. Another recommended active promotion, coordination and monitoring, suggesting the establishment of a PRE regional liaison officer. Another mission saw PRE's role in terms of A.I.D. worldwide research and policy, with LAC/PRE providing the service function.

The Asia Bureau has utilized the PRE service contracts to blaze new trails in the trade/export sectors, to promote privatization and to develop financial markets. All but two smaller missions have private sector officers and are actively pursuing areas relevant to their country strategy, although many P.S. officers have limited private experience. The absence of a Private Sector Office within the ANE Bureau has not slowed down the missions' interest in and commitment to private enterprise development. ANE relations with PRE Bureau are the most cordial and collaborative.

Missions in the ANE region characterized PRE services as "prompt, thorough and responsive." One noted that Revolving Fund activities generated less impact than consultancies requested by the mission or the IESC program. One small mission had the impression that PRE Bureau programs were directed at the Newly Industrialized Countries.

African missions utilized the contracts less than other regions. There has been one (recent) buy-in to PEDS, four to

the Financial Markets Development and eight for Privatization. Reasons for low demand stem from less developed commercial private sectors; a Bureau service contract called the PRE Fund; weak private sector staffs in African missions; and the perception that PRE deals with more developed countries. Most Africa missions delegate the private sector function to a program economist or project office. The AFR/PRE office perceived the PEDS contract as a resource to supplement its inadequate funding.

Three African missions stated that their contacts with PRE were indirect, through AFR/PRE. One large mission stated that they had the impression that PRE services were not useful to African countries and they would be interested in knowing what services were available. Another noted that mission buy-ins would be useful (not knowing that they were available). Clearly, there is a communications problem for PRE in Africa.

S&T recognizes the relationship between the PRE Bureau mandate and its own activities in the micro- and small business sector. While PRE Bureau addresses broad business issues such as trade, investment, privatization and financial markets, it is also involved in loan and guaranty schemes for small enterprise, and has initiated studies in this sector. There will inevitably be areas of overlap, as the Agency target group remains the small entrepreneur. A continued good working relationship is needed to avoid problems; the players

have demonstrated an open and productive working relationship, despite a PRE take-over bid in 1984.

I. Findings

1. PRE Bureau's three services contracts have been well utilized by both missions and regional bureaus. Demand has grown steadily, and each contract has been expanded to accomodate increased buy-ins.

2. Demand for PRE services has been uneven. Some missions have drawn heavily on services, while other missions have not utilized them. Africa as a region stands out for its low usage.

3. PRE has not effectively communicated the availability of its services to the field, especially with respect to its impact on small entrepreneurs. The uneven nature of mission use is symptomatic of a communications gap and misperceptions by client missions.

4. PRE's leadership role is likely to expand as state of the arts analysis is expanded, leading to cross-fertilization of agency experience in specific sub-sectors, such as financial markets, privatization, trade or export promotion, free trade zones, health, population, agriculture. The Privatization Center has accomplished the most in this area, which is receiving increased attention in other service areas.

5. PRE's success in developing working relationships with regional Bureaus in A.I.D./W is uneven. This is caused in part to a reluctance by the Bureaus to recognize PRE's potential contribution. Increased regional Bureau input in planning the PRE program could ease this problem, leading to additional cross-fertilization, to the advantage of PRE and the Bureaus. It could also reduce the turf issues which inevitably exist within a large bureaucracy.

6. PRE's contribution to private sector development often goes unrecognized, as missions and Bureaus claim credit for the activity. This is the inherent nature of service functions within central bureaus.

MANAGEMENT ASSESSMENT

OFFICE OF PRIVATE AND VOLUNTARY COOPERATION

BUREAU OF FOOD FOR PEACE AND VOLUNTARY ASSISTANCE

April 1988

Eric Chetwynd

Julius E. Coles

Barbara Ludden

Sean Walsh

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EXECUTIVE SUMMARY

Pursuant to one of the requirements set forth in the 1988 Continuing Resolution, this report covers the management assessment of the operations of the Office of Private and Voluntary Cooperation (FVA/PVC) of the Food for Peace and Voluntary Assistance Bureau. The report was based on data collected through personal and telephone interviews, review of numerous documents, and cable exchanges with the USAID Missions.

Based on this review, it was determined that the Office of PVC has: received excellent leadership; defined its tasks well and integrated its activities into the policy direction of the Agency; produced consistently high quality reports that are useful; and sought to improve the quality of its services and programs.

Even though the office has strong leadership and staff, it could be strengthened by the inclusion of additional Foreign Service personnel. Further, there is room for more outreach within the Agency to create greater awareness of PVC programs and services. Other findings are that it is administratively convenient to continue to locate the office within the FVA Bureau; and that the legislatively mandated work of the office, which represents a substantial part of its work, could not be adequately handled without the use of contractor personnel.

The USAIDS and the Office, itself, have expressed a desire for more frequent field interaction in terms of staff visits to Matching Grant projects and assistance in project design. Limited staff availabilities and Operating Expense Budgets will likely continue to preclude increased activity in this regard. The liaison functions of the Office have been given high marks on the part of A.I.D. management as well as the PVO and Cooperative communities. The Office has been effective in representing the Agency to the PVO community and vice versa.

I. INTRODUCTION

In response to the requirement for a management review of the Office of Private and Voluntary Cooperation contained in the Continuing Resolution for FY 1988, a team composed of three career A.I.D. Foreign Service professionals and one consultant was appointed to conduct the assessment. The team focused the assessment on the four basic questions asked in the legislation.

The methodology selected consisted of two parts, the review of office documents and field cables, and discussions with staff. This was supplemented by "off the record" interviews with representatives of other bureaus and offices, USAID Missions, Private Voluntary Organizations, Cooperatives, and other entities doing business with PVC. The Office quickly produced the documents and materials requested during the course of this management assessment.

Those interviewed included current and previous Assistant Administrators for the Bureau of Food for Peace and Voluntary Assistance, and the Office Director and other senior staff of PVC. In addition, interviews were held with Mission Directors, personnel in other central and geographic Bureaus, PVO officials, members of the Cooperative community, and members of the Advisory Committee on Voluntary Foreign Aid (ACVFA).

Initial meetings with senior officers of the FVA Bureau and the PVC Office were attended by the entire team. Subsequent interviews with other offices and organizations were carried out by sub-teams of two members each. USAID Mission responses to a general inquiry cable sent out by the Agency concerning the interaction and the responsiveness of PVC were reviewed by the entire team. The information provided in these cables was incorporated into the assessment.

All material collected was reviewed and discussed. Based on these discussions, individual team members drafted assigned sections of the report, which were then given to each member to critique, edit, and expand. The final edited report was endorsed by the team as a whole.

II. VALIDITY OF GOALS AND OBJECTIVES

The Office of Private Voluntary Cooperation (PVC) has defined the following broad goals:

(1) to provide grant support for the multi-country programs of U.S. PVOs through a single, consolidated grant program;

(2) to assist in the institutional growth of the U.S. PVOs;

(3) to maintain direct grant relationships with a significant number of PVOs to enable PVC to better carry out its leadership, information, and service roles within A.I.D.;

(4) to increase A.I.D.'s management efficiency by consolidating multiple grant relationships and simplifying PVO and A.I.D. administrative requirements;

(5) to support and complement the needs and priorities of A.I.D. bilateral programs; and

(6) to mobilize private resources for development.

In order to achieve these goals, PVC has established the following specific program objectives. Objectives (5) through (8) discuss Congressionally mandated activities.

(1) PROGRAM GRANTS: to direct and manage a worldwide grant program in support of PVO field programs in sectors and countries, consistent with A.I.D. policies and priorities (Matching/Partnership and Cost-Share Grants).

(2) PUBLIC OUTREACH: to direct a grant program under Section 123(e) of the FAA for domestic education programs on world hunger and guide the Agency's development education policy and strategy formulation; and to provide administrative and

technical support for the Advisory Committee on Voluntary Foreign Aid, enhancing its effectivemess as a conduit for increased cooperation between the public and private sectors in U.S. Foreign Assistance Programs.

(3) CHILD SURVIVAL: to direct and manage support of U.S. PVOs to implement the Agency's emphasis on health interventions to reduce infant and child mortality; includes a competitive grants program of PVO child survival activities in empnasis countries with full coordination with Missions, and technical support to strengtnen PVO capabilities in project design, management, and evaluation of project impact on health status.

(4) COOPERATIVE DEVELOPMENT: to direct and manage a program of support to U.S. Cooperative Development Organizations (CDOs) enabling them to maintain active international departments, and project grants to support participation by the U.S. cooperative movement in areas of A.I.D. program emphasis, especially small business and international trade promotion; to provide technical support and guidance to A.I.D. regional bureaus and USAID Missions on development use of cooperatives in meeting A.I.D. development goals.

(5) PVO REGISTRATION; to certify and maintain a registry of U.S. PVOs to determine eligibility for P.L. 480 commodities, ocean freight reimbursement, and grants; to provide guidance to Missions regarding certification on non-U.S. PVOs; and to maintain a registry of non-U.S. PVOs receiving A.I.D. funding.

(6) PVO COMMODITY FREIGHT TRANSPORT PROGRAMS: to direct and manage, under Section 123(b) and (c) of the FAA, a grant program for the reimbursement of PVO transportation costs; and to approve and certify applications for transport of humanitarian goods and supplies under the Denton Amendment (Section 1540 of the 1985 Defense Authorization Act, as amended) which provides for free space-available transport of humanitarian goods via the U.S. military to any area of the world.

(7) REPORTING REQUIREMENTS: to meet reporting requirements to the Congress and the public on PVO activities, A.I.D. funding levels and PVO capabilities.

Based on the review of various documents, discussions held in A.I.D. and with the PVOs, and information received from the overseas A.I.D. Missions, the goals and objectives of PVC remain valid and are clearly stated. They are responsive to legislative mandates and Agency policy.

III. How Well Goals and Objectives are Being Achieved

In regard to the broad goals, PVC has moved consistently over the last six or seven years in its interactions with the PVO community to diminish PVO dependence on US Government funding. It requires 50% matching funds in a large number of its grant programs and adheres to the 20% funding requirement in other grants it administers. In the Matching Grants program, requirements have been established aimed at building the capacity of the grantee to manage, staff, fund-raise, and expand in an administratively sound manner. This approach has strengthened the PVOs qualitatively. PVC programs also have worked to strengthen and guide PVOs in technical areas such as Child Survival, Basic Health Services, and Small Scale Enterprises. This has improved significantly the alignment of A.I.D. funding for PVOs with its legislative mandates and other priorities. It has also brought to bear on these priorities the unique capabilities of voluntary agencies to work knowledgeably with local grass root organizations while exercising managerial flexibility.

A.I.D.'s efforts to strengthen the Agency's PVO partners has been aimed at integrating them more closely into overall country development programs, and fostering creative U.S. PVO partnerships with indigenous PVOs. This has been consistent with current trends in LDCs to encourage establishment and growth within their own countries of local organizations to perform relief and humanitarian work.

The PVC Office has worked to simplify procedures and create a central focal point within the Agency for the establishment of relationships with PVOs and for information collection and dissemination for the PVOs within the Agency. This has reduced the administrative costs of A.I.D. funded programs for both A.I.D. and the PVOs.

The PVC Office also has made significant progress in achieving the various objectives that have been established. Some of the specific achievements are as follows:

A. Program Grants

The program grants of the PVC Office have gone through many phases over the past decade, each successive phase marking a progression in the growing A.I.D.-PVO relationship. The Development Program Grants of the late 1970's focused on general institutional strengthening of PVOs to increase their effectiveness. The Matching Grant concept introduced in the early 1980s served to interest and strengthen PVOs in the sectors and problems of priority interest to the Agency. More recently, the addition of Partnership Grants has made it possible for AID and its overseas Missions to embark on a joint effort to address the problems of a particular sector within a strategic, long term framework. This includes, for example, policy reform, sustainability, basic health, child survival, and agro-forestry. Forty PVOs have participated in one or more of these program grants and currently there are thirty-five active grants. The dollar level has grown from $3.7 million in FY 1979 to $23 million in FY 1987. This is in a period in which overall AID-PVO cooperation has grown from $39 million to $442 million.

The picture that unfolds is one of a Matching Grants program that has (1) adapted well to meet the demands of the times; (2) given the Agency a vehicle that has served to both improve the PVOs and align them with Agency interests; (3) responded well to internal and external evaluations; and (4) been well managed and consistently improved.

The largest element of the program grants is the Matching Grant program and it has sought to increase PVO economic development impact through greater integration with country development programs. The size of the Matching Grant program has permitted PVC to impact on a large and influential cross-section of the PVO community. Taking advantage of this, PVC has taken several initiatives in recent years that have resulted in impressive progress toward this economic development orientation.

First, for at least the last seven years, PVC has promoted "development" as a theme of the Matching Grant programs -- working each year to more clearly define that focus

and bring it in line with priority concerns of the Agency. Several years ago it started sectoral evaluations of Basic Health, Child Survival, Agro-forestry and Small Enterprise. These sector assessments, shared with PVOs through workshops and other means, have given more focus to Matching Grants and have strengthened the PVOs in these areas.

Second, at a more procedural level, PVC has introduced the requirement for Mission clearance on each Matching Grant proposal. Through detailed instructions covering grant applications, PVC has encouraged PVOs to develop proposals in concert with Missions in grant-targeted countries. Missions take this approach seriously--as evidenced by all 50 Missions queried on the recent round of grant proposal reviews who responded. For the most part, the PVOs themselves seem to perceive the benefit in this approach, although some reportedly would like more independence. On the other hand, some PVOs would like more interaction with Missions but find that Mission staff are stretched and cannot handle all their needs.

In addition, PVC has emphasized evaluation in the Matching Grant program and through the evaluation process has been driving home such concepts as institution building and sustainability as well as the more traditional management effectiveness issues. A recent evaluation of development effectiveness indicates that PVOs are developmentally effective at what they do best, that is: "in conducting low-cost, rural based, innovative development programs" that complement the more traditional programs of the major donors. The report goes on to state: "By concentrating on this group, PVOs reach those least able to help themselves and least likely to be served by their own governments or international development agencies." On the down side, the report notes that for these very reasons (their scale and isolation) PVO programs tend to be less replicable and visible than bilateral programs.

The PVC office has also worked to streamline procedures for both the grantees and the Agency. A well designed competitive process has been established. Clear and detailed grant instructions have been put into use and these are praised by the PVOs. The practice of requiring grant concept papers has been replaced by an annual workshop. This year sixteen grant proposals were approved. The workshop and pre-workshop activities screened out twenty-six proposals at the idea stage, eliminating costly proposal preparation and review.

The information system developed and discussed later in this study and made possible through the contract with Automation Research Systems, Ltd. (ARS) has improved information available to PVC and the PVOs and has been an aid

to the essential operations of both, including meeting Congressionally mandated responsibilities. The ARS contract has also improved the technical input to the review of grant proposals and PVC's ability to give meaningful feedback. PVC has placed an emphasis on the quality of proposals and takes a no-nonsense approach to the review process. This is acknowledged in the PVO community to have raised standards, improved competitiveness and promoted efficiency.

B. Public Outreach

In 1980, Congress passed the Biden-Pell Amendment to the Foreign Assistance Act of 1963. This authorized A.I.D. to provide support to PVOs and other non-profit organizations to facilitate public discussion, analysis and review of development issues related to World Hunger. The PVC Office has done an excellent job of administering this program since its inception. The program has grown from a level of $750,000 in 1982 to $3 million in FYs 1987 and 1989. In its initial five years of existence, the program has awarded approximately $9 million in grants to nearly 50 PVOs to carry out workshops and seminars, develop publications, films, slideshows and exhibits and to prepare curricula and training programs. PVC has worked hard and effectively to bring the Development Education programs into the mainstream of PVO activities, and has achieved some success with the formal education sector. The office has also put into place an excellently designed competitive process for selecting proposals for funding by A.I.D. In FY 1987, A.I.D. processed a total of 35 proposals although it was only able to grant awards to about one-third of the proposals received. The average size of the grant awarded was about $80,000, but PVC has effectively used these funds to leverage private sector funding through its cost sharing approach to this program.

The PVC office has also restructured the role of the Advisory Committee on Voluntary Foreign Aid (ACVFA). Currently, this committee is being fully supported in its staff work by an Executive Secretariat that is assigned to PVC. In FY 1987, the ACVFA conducted an external re-evaluation of its role and functions in light of the changing dynamics within the PVO community. Based on this re-evaluation, it was decided that the Committee should place increased emphasis on analysis, fact finding and the formulation of substantive objective advice to the Administrator on issues of critical, long-term importance to the PVO community and the Agency. At the present time, ACVFA is completing a review of the issue of "PVO Effectiveness" with the objective of developing a set of recommendations on how to improve further overall PVO

performance. All the people and organizations contacted believe that ACVFA is playing an important role in forging a better relationship between the PVO community and A.I.D. and should continue to be attached to the PVC Office for its staff support.

C. CHILD SURVIVAL AND RELATED HEALTH PROGRAMS

A.I.D.'s Child Survival initiative with the PVOs was started in 1985 and was directed at enhancing the participation of PVOs in an international effort to reduce child mortality. The focus of the program is at the country level and A.I.D.-funded Child Survival activities are intended to expand and make more effective the delivery of selected technologies and concepts which have shown they can save childrens' lives.

The focus of the PVC Child Survival program is on development of a sustained capacity in each country for providing Oral Rehydration Therapy (ORT), immunization and other child survival interventions such as nutrition programs, growth monitoring, birth spacing and improved weaning practices. The portfolio has been targeted to 20 priority countries that are geographically distributed with 40% in Africa, 35% in LAC and 25% in ANE.

As is the case with other grant programs, PVC has developed a set of detailed procedures for the targeting of Child Survival funds to priority countries. The procedures cover also the competitive award of 25% PVO cost-shared Child Survival grants and the continuing administration, monitoring and evaluation of these grants. PVC has also developed a detailed action plan designed to assist the PVO community in developing its internal capabilities in the design of Child Survival activities and in implementing these programs in the targeted countries. PVC has made significant progress toward its stated objective of enhancing the participation of PVOs in the Child Survival program through its competitive grant program and related technical assistance to PVOs. This is demonstrated by the increasing number of PVOs active in this field and the growing requests for Child Survival grants. PVC has reported that requests in FY 1987 were three times the funding available for this program.

D. Cooperative Development

The responsibility for coordination and management of grants for Cooperative Development activities was transferred in FY 1987 from the Bureau of Private Enterprise (PRE) to the FVA Bureau-PVC Office. Since that transfer, PVC has placed

emphasis on the expansion of Cooperative programs by working in partnership with six U.S. Cooperative Development Organizations, including the Agriculture Cooperative Development International, Cooperative Housing Foundation, Credit Union National Association, National Cooperative Business Association, National Rural Electric Cooperative Association, and Volunteers in Overseas Cooperative Assistance.

A.I.D. grants to these organizations have declined slightly. They totaled $5.3 million in FY 1985, $5.7 million in FY 1986 and $4.7 million in FY 1987. In FY 1988, the PVC Office plans to provide $5.1 million in grants to Cooperative organizations. The grants provided in the past have helped these organizations maintain active international departments and develop other Cooperative programs that are being funded by USAID Missions. In FY 1986 the Cooperative programs being funded by the USAIDs totaled some $17.3 million.

Currently, PVC is coordinating an evaluation of the impact that its core grants have had on Cooperative Development Organizations' financial management practices. In addition, an evaluation of the performance effectiveness of the five existing Cooperative Development Organizations in carrying out their previous grants will be assessed before new grants are made. Based on interviews held with a sample of the Cooperative Development Organizations, they are pleased with the PVC Office's overall performance, their relationship with the office and the role of the office as the focal point for cooperative programs within A.I.D.

E. PVO Registration

The PVC Office has been highly effective in carrying out its legislative responsibilities for the registration of 216 U.S. PVOs. This has included the collection of annual documentation on U.S. PVOs for registering renewals; the provision of policy guidance to USAID Missions on the registration of local PVOs and the maintenance of a central registry on U.S. and local PVOs.

The office has made substantial improvements in cutting the time required to process registration applications from six months in 1985 to about three months in 1987. The reduction has been largely achieved by development of better and clearer descriptive material on the conditions of registration in the "A.I.D./PVO Partnership Brochure". In addition, PVC has established a standardized set of criteria to review applications, set up a Registration Review Committee, routinized the documentation collection process and instituted a formal de-registration process.

to. 1 month in 1990

F. PVO Commodity Freight Transport Programs

1. Ocean Freight Reimbursement Program

Under the Congressionally mandated Ocean Freight Program, A.I.D., through PVC, makes funds available to PVOs to pay ocean transportation costs for shipments of donated supplies for use in humanitarian and development programs overseas. In order to be eligible to receive reimbursement for shipment to a country, the PVO's program in that country must have prior approval from A.I.D. The participating PVOs pay all related costs (i.e., warehousing, packing, processing and inland transportation costs, as well as the administrative costs of field representatives). Eligibility to participate in the program is limited to U.S. PVOs registered with A.I.D.

Over the past five years, PVC has moved this program into a competitive mode and has allocated approximately $30 million to PVOs to ship supplies valued at about $250 million to some 60 countries. In FY 1983 the program reached $7.5 million but has leveled off to $3.5 million in FYs 1988 and 1989. In FY 1986, PVC revised its applications and review procedures to maximize the amount of money available to the program by concentrating the limited funds on more development-oriented programs in the poorer countries assisted by A.I.D.

2. Denton Amendment

Legislated in 1985, the Denton Program provides transportation on a "... space available basis, at no charge, to any area of the world, goods and supplies which have been furnished by a non-governmental source and which are intended for humanitarian assistance." Shipments covered by the Denton Program must be certified by the Department of State as consistent with U.S. foreign policy obligations and by A.I.D. as meeting an identified humanitarian need.

Program activity has increased significantly over the period 1985-87. The number of donors participating in the program has increased from three to thirty-six and the countries being served by the program have increased from one in 1985 to twenty-two in the same period. PVC has established a clear set of procedures for the management of the Denton Program which appear adequate for administration, oversight and reporting on the program.

G. Reporting Requirements

Some of PVC's reporting requirements are mandated by Congress. These reports, falling mostly under the Registration

and Ocean Freight programs, are handled with dispatch and include the following: The Voluntary Foreign AID Programs; PVO Quarterly Shipping Report by Country and Agency; Annual PVO Shipping Report; Denton Report to Congress; Summary of AID-Funded PVO Activities by Appropriation; and the Ocean Freight Reimbursement Program Allocation. In addition to evaluation studies, retreat documents and guidelines for grant reviews, PVC also produces the following reports: Inventory of AID-Funded PVO Projects Sorted by Project Number; Inventory of AID-Funded PVO Projects Sorted by PVO; Inventory of AID-Funded PVO Projects Sorted by Funding Mechanism; Country Activity Report of AID-Funded PVO Activities; FVA/PVC Grant Portfolio; Inventory of Counterpart Agencies Working with U.S. PVOs; PVO Profile; Top Ten Recipient Countries; Budget Worksheet; Mortgage/Pipeline Worksheet; AID/PVO Partnership Brochure; and FVA/PVC Implementation Plan.

The overall quality of the reports generated by PVC is rated excellent by users and by the assessment team. Several senior A.I.D. officials voiced high praise for the overall excellent quality of the reports produced. Essential factors contributing to PVC's capacity to provide excellent reports on its program have been: (1) the excellent computerized information management system recently completed by the office is regularly improved; and (2) the program and management information services contract with ARS. In the future, thought might be given to additional but strategic distribution of some of these reports within the Agency, which remains basically unaware of PVC programs and services.

IV. PERFORMANCE IN PROVIDING SERVICE TO A.I.D. BUREAUS, OFFICES AND MISSIONS

The PVC Office does not consider itself a "field service" office, in that its functions as defined by the Agency and by the Congress are programmatic in nature, involving substantial grant activity and liaison with Private Voluntary Organizations. Nevertheless, in order to perform its designated functions and meet the broader goal of serving as the focal point for the Agency for PVO activity, good relations and open communications have been maintained between PVC, the centrally and geographically funded Bureaus and Offices, USAID Missions, and the PVO community.

The office has moved also to institutionalize these lines of communication. Among such initiatives is the requirement written into the Matching Grant and Child Survival Grant guidelines that Mission approval must be sought and received in order for a proposal to go forward. Without this Mission

approval, no grant is funded by PVC. However, cable responses from USAIDS suggest that PVC needs to go further in communications and outreach with Missions. Some report little or no contact with PVC.

PVC has established and calls together on a monthly basis an intra-Agency PVO Liaison Committee to discuss substantive issues and program development. Interviews were held with PVO Liaison Officers for some of the Bureaus, and this forum and form of communication consistently gained high marks both for utility and in construction of excellent relations with the central and geographic bureaus.

For its part, PVC complains that the appointment of a PVO Liaison Officer within each Mission has not been as effective as hoped. Although the network exists, it is the view of PVC that the persons assigned to the position in a number of USAID Missions is not senior enough to provide substantive liaison with Mission Directors and other high level personnel. Such a deficiency could cause a breakdown in the communication chain from PVC to Mission management and lays PVC open to the claim that Missions are not always adequately informed about PVO activity within their areas of responsibility.

PVC is attempting to improve communications with the field. Its "Sector Evaluation Approach" is moving PVO programs into closer alignment with Agency priorities. PVC is fostering the "buy-in" approach to its grants, encouraging Mission involvement and interest. This approach also combines the resources of the PVOs with those of PVC and the Missions for expanded and strengthened PVO programs in the field.

Another function that creates some contact with the USAID Missions is the supplying of information on PVOs and Cooperatives. This service, managed by PVC, is responsive to Missions, Bureaus, and the public, as well as to Agency management and the Congress.

Of the various Mission Directors interviewed, both past and current, high marks were generally given to the communication process in both directions. A few Missions complained about lack of information on the operations of the Matching Grant program after approval has been given for particular projects. One of the Asian Missions also noted that FVA/PVC and even some of the PVOs often keep the Mission completely out of the picture except at the time of the review of final proposals. Another Asian Mission noted that "FVA/PVC procedures for sending progress reports to the Mission on Matching Grant funded activities should be improved...If possible an annual up-date cable about the status of FVA/PVC funded activities in

the (country) would be appreciated." PVC responded to these points by stating that no project is approved that does not have prior Mission direct contact and approval. In this regard PVC commented that, unlike a contract, a grant is a project in which the grantor "lets go" after award. Contracts, on the other hand, require that the awarder "keep control". This fundamental difference can serve as the basis for frustration and misunderstanding between Missions and grant-administering offices such as PVC. The management of PVC has recognized the need for informed communication. Nevertheless, more effort will be required to overcome the lack of understanding of its programs by USAID Missions.

The reality is that the level of Mission enthusiasm for the role and potential of the PVC office does not come close to what one might expect since A.I.D. does over $400 million worth of business annually with PVOs, and PVC is the office in A.I.D. that serves as the focal point of PVO activity with the Agency.

Based on the findings of this assessment, it would appear that PVC should become more proactive with the Missions. PVO materials arrive in Missions and their comments are sought and received. However, unless the Missions believe that what is available holds great relevance or interest for them, all too frequently, the studies, reports, and evaluations become part of the "waiting library" rather than operative documents.

PVC recognizes that opportunity exists for greater cooperation with Missions, especially in the areas of project design and program monitoring. Nevertheless, current staffing and budgeting constraints will not permit this next step to take place, in the view of PVC management.

Based on a series of interviews with Bureau and Mission personnel, PVO and Cooperative representatives and cables from the field, it was concluded that the PVC is extremely well managed. The office has established management systems to monitor program progress in achieving its objectives. In addition, excellent lines of communication among its staff members and between the various operating divisions have been established. The lines of communication between PVC and the Bureaus are very good, but more needs to be done to improve the USAID Missions' understanding of PVC's services and programs.

Bureaus interviewed stated that the office has been fully responsive to the needs for program guidance, technical, and information services as required. Mission staff interviewed praised the office practice of consulting with them before award of Matching Grants affecting their countries, but a few felt that the office should do a better job of keeping them informed on the status of Matching Grants after they have been approved.

The perception at this point in time is that the office not only serves as a focal point for PVO/AID interaction, but is aware of the needs and wishes of the PVO community and serves as the representative of A.I.D. to the PVOs in matters of policy and guidance.

In general, PVOs and Cooperatives were universal in their high praise of the overall quality of the services provided; open communication back and forth; and the overall excellent quality and responsiveness of the staff.

V. ORGANIZATIONAL PLACEMENT AND RESOURCE ADEQUACY

The PVC office has strong and effective leadership. It has been able to attract an excellent and dedicated staff to assist in carrying out its goals and objectives. Currently, PVC has a staff ceiling of 22 direct hire full time positions plus one part-time employee. In addition, there are four Administratively Determined (AD) non-continuing positions allocated to PVC. This figure represents a 40% decrease from the staffing provided in 1985, reflecting the general austerity measures taken to reduce the Agency's Operating Expenses in recent years. This decrease has taken place despite an overall increase in program responsibilities and expanded legislative mandates. Faced with the dilemma of a reduced staff and expanding programs, PVC has moved to use contract personnel to provide additional resources to fulfill its goals and objectives. Currently PVC has three contracts in force: one management contract and two technical contracts involving two contractors. The breakdown of the office's contract and Advisory Committee Budget is as follows:

← two (90'91'92)

FVA/PVC Operating Expense Budget for Contractors and Advisory Committee (Dollars in Thousands)

Purpose	FY 1987 Actual	FY 1988 Estimate	FY 1989 Request
Manpower Contracts	560	600	650
Conferences	50	68	80
Totals	610	668	730

The PVC Office has the following US direct-hire and contract positions:

SUMMARY OF DIRECT-HIRE AND CONTRACT PERSONNEL POSITIONS

Direct-Hire Personnel

POSITIONS IN PVC

OFFICE OF THE DIRECTOR
Deputy Assistant Administrator
Deputy Director
Secretary (2)

PUBLIC OUTREACH STAFF
Supvisory Program Analyst
Program Analyst
Program Operations Specialist
Program Operations Assistant

COOPERATIVE DEVELOPMENT STAFF
Special Project Officer
Program Analyst

CHILD SURVIVAL STAFF Supervisory Program Analyst
Special Project Officer (2)
Program Analyst 2
Program Operations Assistant (Part-time)

INFORMATION AND PROGRAM SUPPORT DIVISION
Supervisory Program Analyst
Program Analyst (2)
Special Assistant

PROJECTS DEVELOPMENT DIVISION
Supervisory Program Analyst
Program Analyst (2)
Special Projects Officer
Secretary

CONTRACTOR PERSONNEL

CONTRACTOR: Automation Research, Inc.

INFORMATION AND PROGRAM SUPPORT DIVISION

Management Support
- Project Manager (1/2)
- Technical Support Coordinator
- Program Support Specialist
- Operations Assistant (2)
- Financial Analyst Manager
- Staff Accountant (2)
- Data Entry

[illegible]

Program Support
- Project Manager (1/2)
- Administrative Assistant (1/2)
- Technical Support Coordinator
- Administrative Assistant

PROJECTS DEVELOPMENT DIVISION

Management Support
- Administrative Assistant

CONTRACTOR: Johns Hopkins University

Child Survival Staff
- Program Operations Assistant
- Secretary
- Project Officer
- Program Analyst
- Technical Assistant

It would also appear that the maintenance of these contracts is the only way in which the PVC office can continue to function in an efficient manner. Without these support and technical contracts, PVC would not be able to carry out in a responsible manner its current program and liaison functions. In discussions with PVC office management, a clear desire for additional career direct hire personnel was raised. Although some relief has been obtained by the use of Administratively Determined (AD) positions, career professionals, especially in the Matching Grants program, are overburdened. While performing extremely well under the circumstances, certain critical functions are not being performed as well as they might and others are neglected. These include more direct monitoring of the program grants which are not being performed to the extent desired. Assistance to Missions in PVO project design is not being done at all.

An additional problem confronting the Office is its general inability to attract career Foreign Service Officers. Since the Office is not geographically oriented, it is considered to be outside the "mainstream" of A.I.D. activity and, therefore, not a "plum" Foreign Service career assignment. This is an unfortunate situation for there is a great deal to be gained both for the Office and for the Missions if Foreign Service Officers were encouraged to spend a tour in PVC.

All offices, Bureaus, and PVOs with whom the team spoke were unanimous in their view that the office function is

critical and needs to be performed. Given the nature of the work, the concentration of PVO liaison functions, data collection, registration, public outreach, project design, and policy development, the work of the Office is inter-related and is considered essential.

VI. CONCLUSIONS

With respect to the validity of the goals and objectives of the Office for Private and Voluntary Cooperation of the Bureau for Food for Peace and Voluntary Assistance, they are clear and well defined. These goals and objectives remain valid, and are responsive to legislative mandates and Agency policy.

The PVC office has made significant progress toward achieving these objectives. Each of the specified objectives has been tracked, and the picture which unfolds is generally one of excellent administration, leverage of existing resources, even-handedness, encouragement of competition, definition of process and procedures, accessible compilations of data and excellent relationships within and outside the Agency, as well as a continuous effort to improve its procedures and service.

The Office has taken steps to open lines of communication with Bureaus, Offices, and USAID Missions. The establishment and substantive use of an intra-agency PVO Liaison Committee has provided an excellent vehicle for Bureau and office interaction, and receives high marks from members.

PVC has moved to further communications with USAIDS by seeking to institutionalize the relationship through the requirement developed and written into the Matching Grant and Child Survival Grant guidelines that Mission approval must be sought and received for a proposal to be approved. Without Mission agreement, no grant is funded by PVC.

In addition, a PVO Liaison Officer has been appointed in each USAID. This network appears to be inadequate and does not seem to serve the purpose for which it was created. Other initiatives to encourage Mission interest and possible add-ons and buy-ins in grant activities are steps in the right direction, however, further steps need to be taken to keep the USAIDS informed of PVO services and programs. It is not likely that the USAIDS will, of themselves, stimulate stronger relations with PVC. For this reason, and considering all that the Office has to offer, it is incumbent upon PVC to market its materials and activities in a way that will lead the Missions to view the interaction as revelant and valuable in their work.

The Project Officers within PVC do not spend enough time in the field meeting with Mission staff and PVOs monitoring grants and helping with PVO project designs. Limited staff, lack of experienced Foreign Service Officers, and inadequate travel budgets now preclude participation in this type of activity to any meaningful extent.

Overall, PVC enjoys a very good reputation within the Agency for responsiveness to requests for program guidance and technical and information services. Mission staff generally regard the office as cooperative and responsive. The PVOs and Cooperatives are universal in their high praise and respect for the office. PVC services and programs are not as well known and understood within the Agency as they might be and more promotion and outreach would be useful.

The PVC Office enjoys effective leadership and an excellent and dedicated staff. The staff received major cuts in 1985, as a result of the Agency's efforts to reduce its Operating Expenses, but its program responsibilities have been expanding. In order to overcome this staff problem, PVC has used contract personnel very effectively to fulfill its goals and objectives. Without the support and technical inputs made

by these contractors, it would be difficult for PVC to carry out all of its current functions.

In summary, the Office of Private and Voluntary Cooperation is well-managed, provides quality services, makes effective use of limited resources, and maintains a high degree of professionalism which is recognized and respected by its constituencies and peers.

SUMMARY PROFILE

DIRECTORATE FOR PROGRAM AND MANAGEMENT SERVICES (SER)

Organization, Staffing, Funding,

Accomplishments, Current Goals,

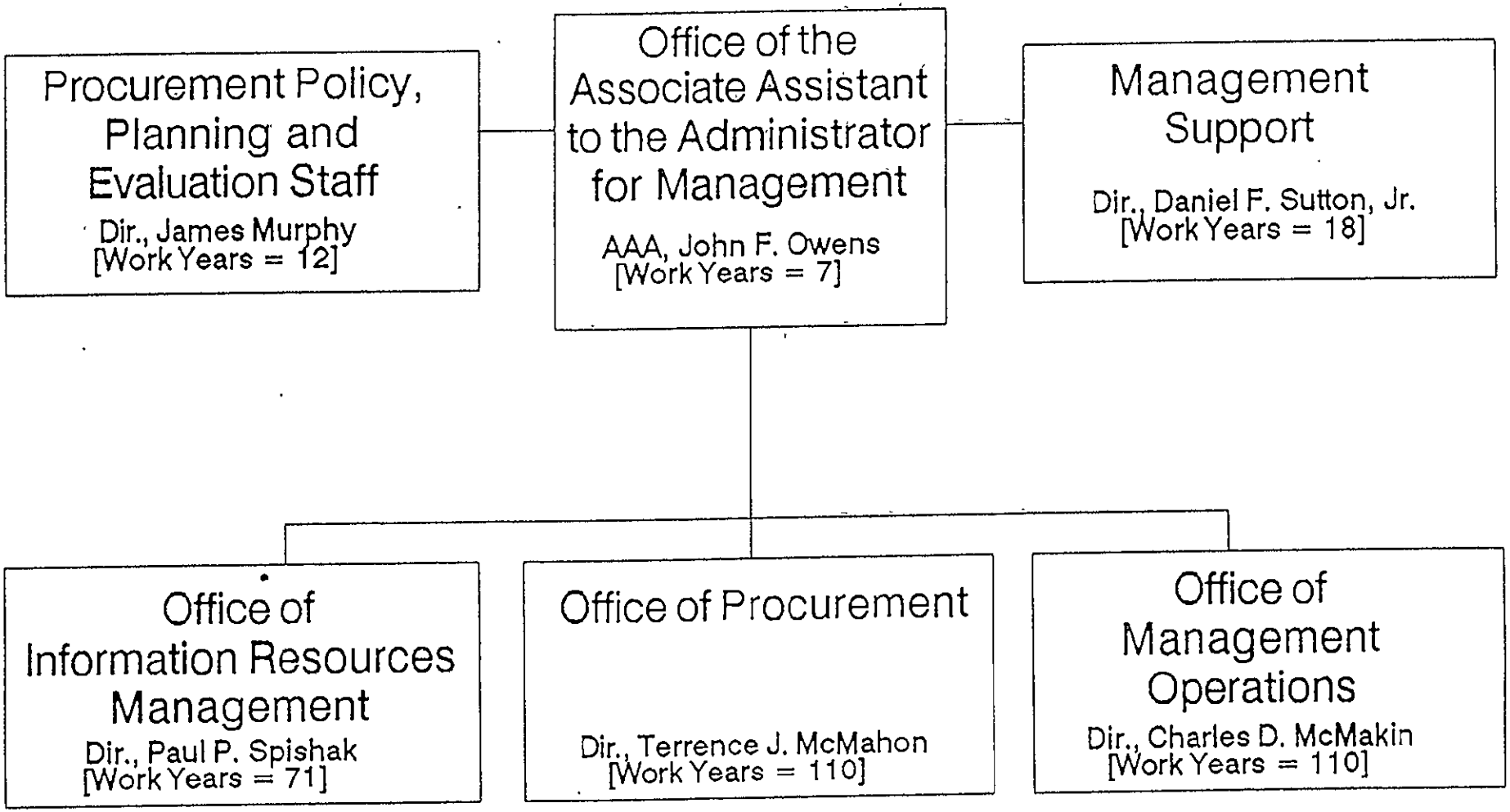
Current Issues

April 1987

PART I

ORGANIZATION CHART

Directorate for Program and Management Services
[Work Years = 328]



FOOTNOTE: FULL TIME POSITIONS

PART II

FUNCTIONAL STATEMENTS FOR SER OFFICES

FUNCTIONAL STATEMENTS FOR SER OFFICES

OFFICE OF THE ASSOCIATE ASSISTANT ADMINISTRATOR
FOR PROGRAM AND MANAGEMENT SERVICES
(M/AAA/SER)

MAJOR FUNCTIONS: M/AAA/SER's office oversees the functions and overall resource requirements associated with the Directorate for Program and Management Services (M/SER). The SER Directorate is located in A.I.D.'s Management Bureau, and brings together a number of separate but related offices which respond to a variety of worldwide Agency support service requirements; these offices and key functions include:

-- The Office of Information Resources Management (information technology including telecommunications, directives, organization management, management consulting services)

-- The Office of Procurement (A.I.D.-financed grants, contracts, interagency agreements, cooperative agreements, and commodity import program procurements)

-- The Office of Management Operations (Agencywide administrative logistical support such as communications, including mail services, travel, printing, buildings management, vehicles, graphics, supplies and small procurements)

-- The Office of Management Support (assistance to A.I.D. Missions for management services, intra-agency and interagency external liaison on management requirements, and internal SER management and administrative support services)

-- The Procurement Policy, Planning, and Evaluation Staff (Development and issuance of A.I.D. procurement policies, evaluation of A.I.D. procurement operations, procurement advice and assistance)

FUNCTIONAL STATEMENTS FOR SER OFFICES

OFFICE OF INFORMATION RESOURCES MANAGEMENT (M/SER/IRM)

MAJOR FUNCTIONS: The Office of Information Resources Management (M/SER/IRM) is responsible for the overall management of A.I.D.'s information technology program. In this capacity M/SER/IRM provides Agencywide services such as:

- -- Central computer services
- -- Acquisition of computer hardware and software
- -- Systems development and maintenance
- -- Technology assessments and standardization of resources
- -- Strategic planning
- -- Technical advice and assistance
- -- Telecommunications
- -- Office automation assistance
- -- IRM Program oversight and evaluation
- -- Policy formulation

In addition to information technology, M/SER/IRM provides guidance and oversight to other Agencywide programs such as:

- -- Directives Management (e.g., A.I.D.'s "Handbook" System)
- -- Organization Management
- -- Advisory Committee Management
- -- Management Consulting Services

OTHER FACTS:

- Supports 75 automation installations overseas
- Backstops the Foreign Service computer systems analysts assigned overseas, as well as the foreign national systems managers.
- Manages the Mission Systems Center in Costa Rica that develops systems for use overseas.
- Manages central services contracts that support A.I.D./W and mission automation programs (90 contract work-years).

FUNCTIONAL STATEMENTS FOR SER OFFICES

OFFICE OF PROCUREMENT
(M/SER/OP)

MAJOR FUNCTIONS: The Office of Procurement (M/SER/OP) is responsible for managing the Agency's commodity and contract activities worldwide in support of A.I.D.'s economic assistance programs. It excercises this responsibility through:

-- The award and administration of contracts, grants and PASA/RSSAs

-- Facilitating host country commodity procurement activities, especially those authorized under the Commodity Import Program (CIP)

-- Implementation of transportation elements of all A.I.D. programs and for programs financed by Title II, PL-480 and the World Food Program

The office is also responsible for providing assistance to Agency managers in procurement planning and the resolution of problems and issues related to assuring the integrity of A.I.D.'s activities in the area of commodity and contract management.

FUNCTIONAL STATEMENTS FOR SER OFFICES

OFFICE OF MANAGEMENT OPERATIONS
(M/SER/MO)

MAJOR FUNCTIONS: The Office of Management Operations (M/SER/MO) is the Agency's central overseer and provider of various logistical and administrative support resources. Its major services include:

-- Support services policy issuances (including travel related allowances and benefits for FS personnel)
-- Communications (telephones, cables, mail facsimile)
-- Building and space allocation and management
-- Real and personal property acquisition and management
-- Office equipment, supplies and furnishings
-- Records Management (including training and technical assistance to Missions)
-- Forms Management
-- Travel, transportation, and storage of employee effects
-- Printing and reproduction services
-- Graphic arts support
-- Motor pool acquisition and control
-- Adjudication of personal property claims
-- Administration of employee health and safety matters

OTHER FACTS:

- Support services are provided for A.I.D./W employees officed in 8 separate locations.

- GSA recently granted the Agency a delegation of Lease Management for oversight and maintenance responsibilities. The delegation covers 3 office buildings and the A.I.D. warehouse facility.

FUNCTIONAL STATEMENTS FOR SER OFFICES

OFFICE OF MANAGEMENT SUPPORT
(M/SER/MS)

MAJOR FUNCTIONS: The Office of Management Support (M/SER/MS) provides two basic management and administrative services; one, is an external SER service to the A.I.D. Missions for management support, and two, is the internal management and administrative support for the SER Directorate organizations.

In its role of management support to the Missions, M/SER/MS provides a variety of services which, among others, includes:

-- Assisting A.I.D. Missions, Geographic Bureaus, and nonregional organizations for the development of management support systems
-- Evaluating Mission organizations and support systems
-- Providing guidance to on-site management officers at the Missions
-- Overseeing Foreign Affairs Administrative Support (FAAS)
-- Reviewing overseas requests for real property construction
-- Establishing standards for overseas property disposition
-- Developing Agency policies on overseas administrative management

The internal SER support functions provided by M/SER/MS to Directorate offices are for a range of administrative and management requirements such as:

-- Coordinating required SER personnel actions
-- Preparing or assisting in required SER organization changes
-- Processing and seeking approval of personnel training requirements
-- Overseeing SER personnel ceiling control and recommending allocations of resources within the Directorate
-- Managing, planning, and preparing required budgets for SER Directorate resources

OTHER FACTS:

- The Management Support Office backstops 114 Executive, General Services, Contracts, and Commodity Officers assigned overseas as well as the 380 member M/SER staff in Washington.

- The Office manages a fund for overseas building construction and purchases, with an annual ceiling of $3 millon.

FUNCTIONAL STATEMENTS FOR SER OFFICES

PROCUREMENT POLICY, PLANNING AND EVALUATION STAFF
(M/SER/PPE)

MAJOR FUNCTIONS: The Procurement Policy, Planning and Evaluation Staff (M/SER/PPE) has the overall responsibility as the staff arm to the Agency's Senior Procurement Executive (M/AAA/SER), to formulate procurement policies for U.S. foreign assistance programs which require:

-- Contracts
-- Grants
-- Cooperative agreements
-- Host country procurement (both public and private)
-- Commodity procurements
-- Agreements with other Federal agencies

Another major responsibility assigned to M/SER/PPE is to monitor the integrity of the Agency's procurement systems by:

-- Conducting evaluations of worldwide procurement operations
-- Reviewing contracts, grants, etc. to ensure quality standards
-- Preparing delegations of authority commensurate with need and ability

In addition, M/SER/PPE is responsible for:

-- Providing staff support to A.I.D.'s Procurement Policy Advisory Panel
-- Responding to audit reports on commodities, contracts, and procurement assistance
-- Representing AID in interagency fora related to procurement policy
-- Formulating insurance policies and programs
-- Planning and conducting training programs on procurement in coordination with A.I.D.'s training office (M/PM/TD)

PART III

ACCOMPLISHMENTS, CURRENT GOALS, AND CURRENT ISSUES

By Three Major Categories of Activity within SER:

A - Organizational Management, Budget, and Agency Procurement Executive Activities

B - Contracting, Grant and Commodity Procurement Operations

C - Automation and Management Services

D - Operational Support Services for AID/W and Overseas

In 1981 the A.I.D./Washington staff level was 2,406 employees; in 1987 the total staff level is down to 2,021. However, within the funding and personnel resources available to the SER Directorate as demonstrated in the charts provided, the following activities serve to illustrate that a broad level of support services continue to be provided to the Agency.

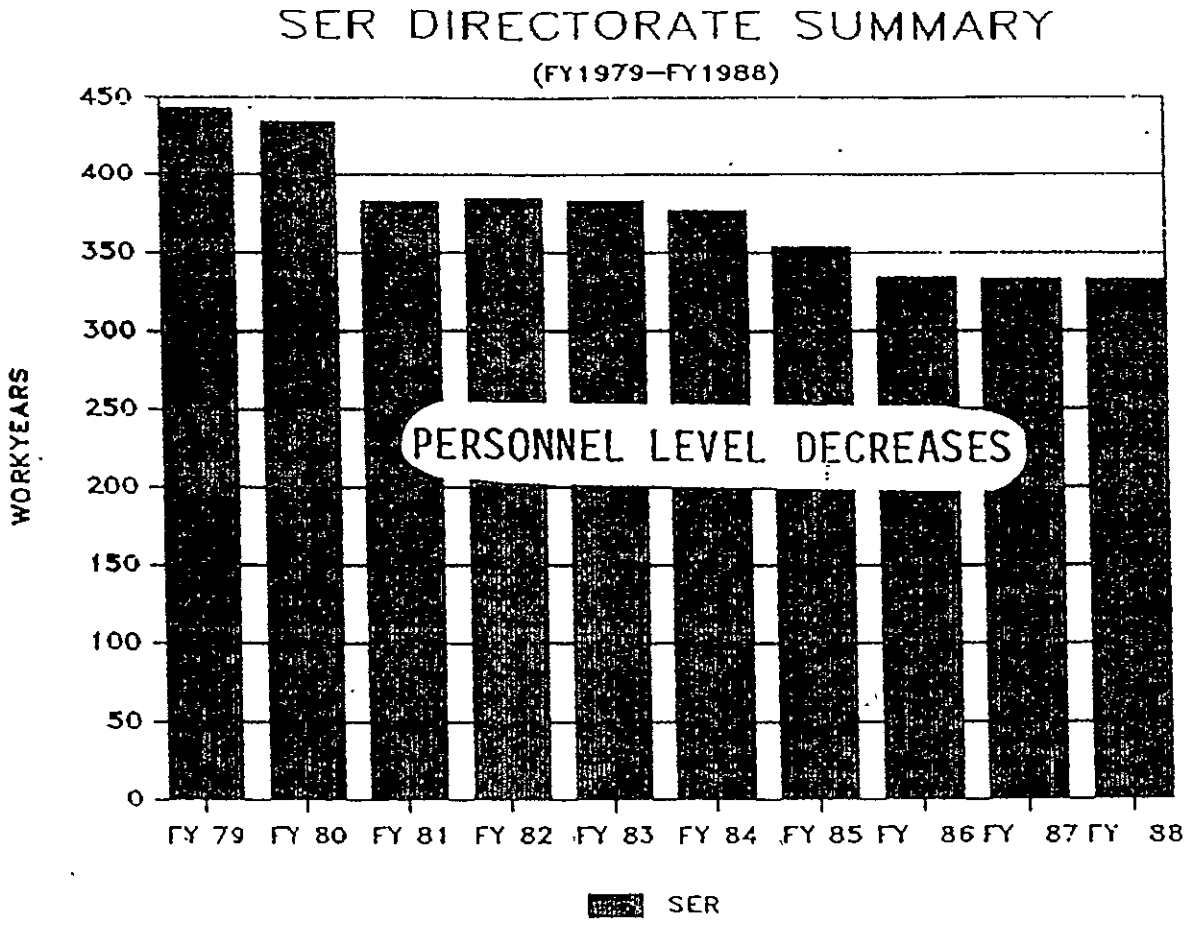
The SER activities are here stated in terms of:

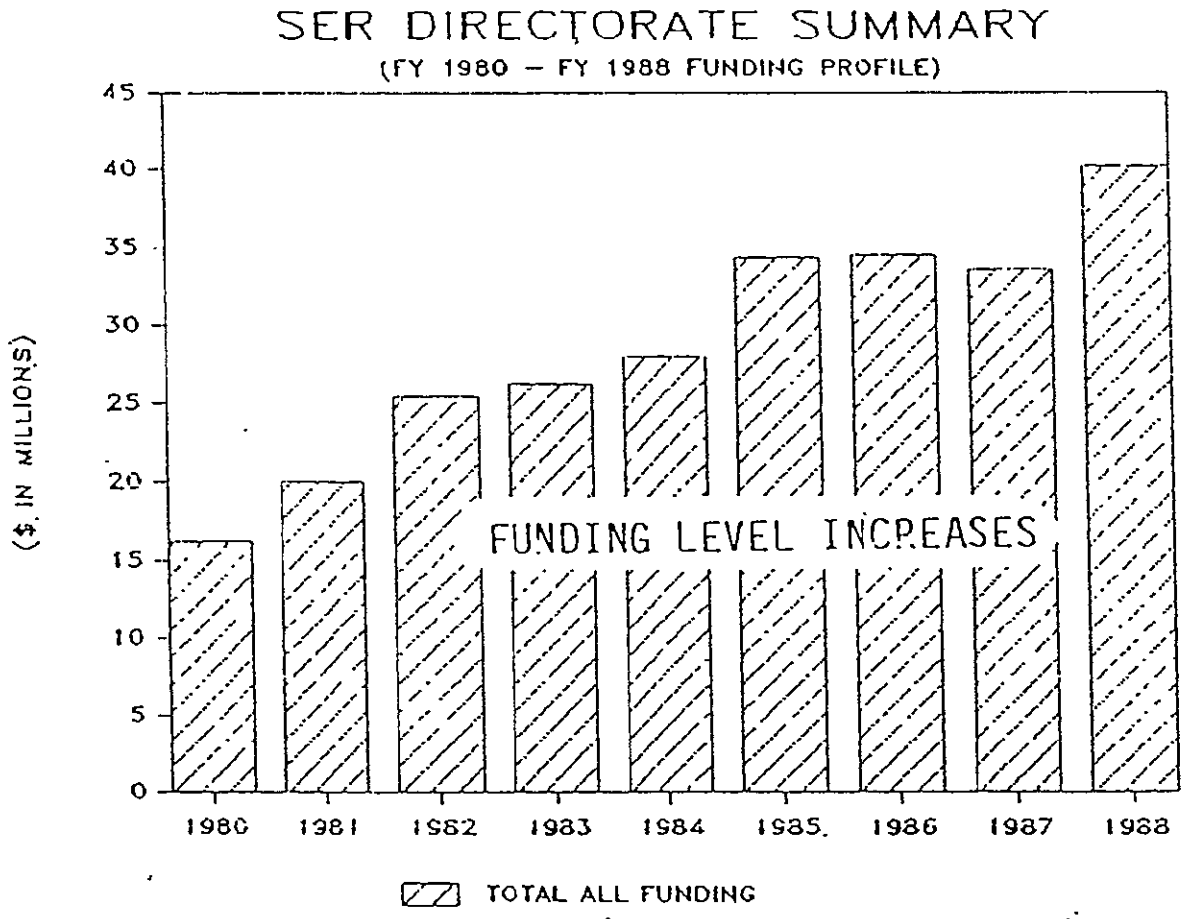
ACCOMPLISHMENTS,

CURRENT GOALS,

CURRENT ISSUES.

While these activities assist in facilitating the work of the Agency they are also essential to keep the Agency in compliance with all the regulations and mandates provided by the Administration, the Congress, OMB, and all other regulatory agencies with oversight responsibilities pertaining to A.I.D. activities.

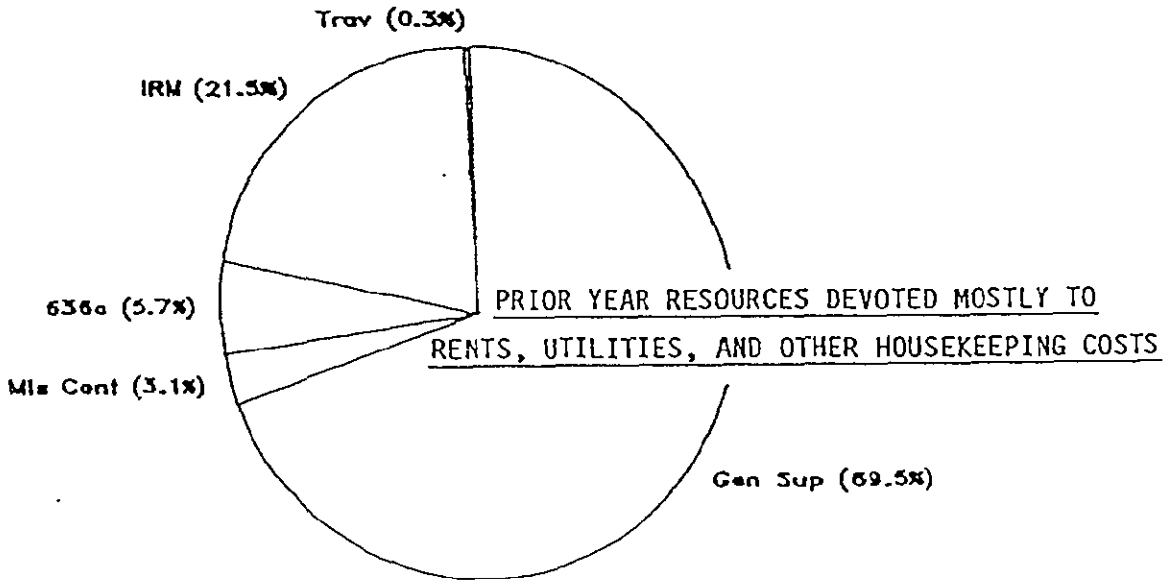

SER DIRECTORATE SUMMARY
(FY1979–FY1988)
WORKYEARS
450
400
350
300
250
200
150
100
50
0
PERSONNEL LEVEL DECREASES
FY 79
FY 80
FY 81
FY 82
FY 83
FY 84
FY 85
FY 86
FY 87
FY 88
SER


SER DIRECTORATE SUMMARY
(FY 1980 – FY 1988 FUNDING PROFILE)
($ IN MILLIONS)
45
40
35
30
25
20
15
10
5
0
FUNDING LEVEL INCREASES
1980
1981
1982
1983
1984
1985
1986
1987
1988
TOTAL ALL FUNDING

Operational Expenses

FY 1981

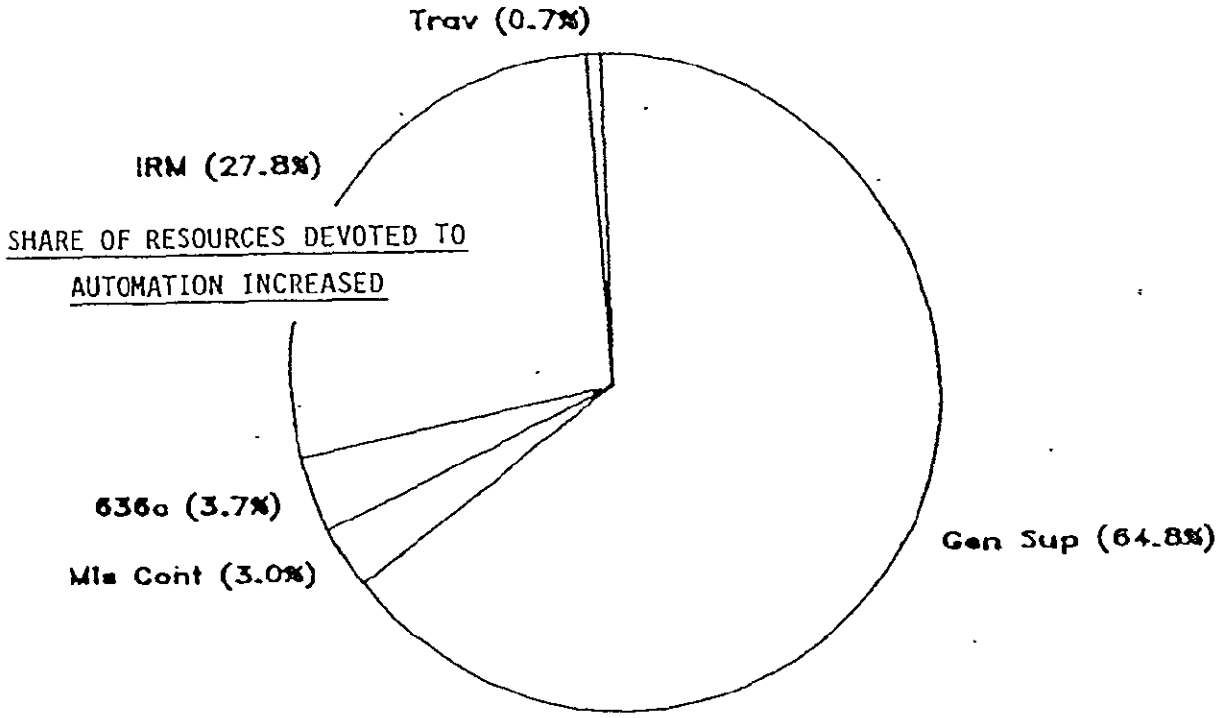
$20,043,500



Operational Expenses

FY 1988

$40,246,500



A - Organizational Management, Budget, and Agency Procurement Executive Activities

A - Organizational Management, Budget, and Agency Procurement Executive Activities

ACCOMPLISHMENTS

-- Centralized SER RESOURCE (personnel and funding) BUDGETING permitted reduction of direct hire positions. Implemented reorganizations, consolidated functions, and suspended the filling of vacancies.

-- Created the Office of Information Resources Management by combining two former offices. The new office provides each Agency organization with a single place to go for a wide range of management services from systems development to organization analysis to automation hardware and software support.

-- Initiated first large scale procurement of automation equipment to facilitate administrative and processing functions.

-- Increased services to the Agency's rapidly growing automation program despite a direct hire staff reduction of more than 30%.

-- Established broad service contracts to meet both the Agency's internal needs and the needs of A.I.D.'s program managers.

-- Retired extensive numbers of outstanding and unresolved audit recommendations on management and contract audit issues. Increased the rate of closure from 1-4 recommendations per month to 8-14 closures per month. Reduced ongoing backlog of open IG audit recommendations from a high of 66 to 19 on March 31, 1987. Resolved all outstanding 1982, 1983, 1984, and 1985 recommendations.

-- Consolidated all policy functions related to commodity procurement, contracts, grants and agreements with other agencies in a staff office reporting directly to the Procurement Executive. Since reorganization, all Agency Handbooks dealing with procurement and contracting have been extensively revised and updated.

-- Instituted an annual procurement system certification review as required by Executive Order 12352. Overseas there are approximately 75 contracting activities at any given time and there are 4 in A.I.D./W. In FY 86 the systems in 11 Missions were reviewed and 2 activities in A.I.D./W were reviewed. In FY 87 we have reviewed 8 Missions to date and 2 contracting activities in A.I.D./W.

A - Organizational Management, Budget, and Agency Procurement Executive Activities

-- Was the first Agency to conform the A.I.D. Procurement Regulations (AIDPR) to the new government-wide Federal Acquisition Regulations (FAR) by providing the A.I.D. Acquisition Regulations (AIDAR).

-- Instituted a system of Competition Advocacy as required by the Competition in Contracting Act.

-- In coordination with OMB, restored A.I.D.'s special selection procedures for overseas contracts under $100,000, personal services contracts and contracts in furtherance of Foreign Assistance Act objectives.

-- Put in place a three-week course on government acquisition policies and procedures for A.I.D. administrative personnel. In addition, continued offering the three-day course on Contracting for Non-Procurement Personnel and the two-week Project Implementation Course for program officers and project personnel.

-- Developed new regulations and guidance for contracting for personal services abroad. This included coverage differentiating how Missions should deal with U.S. citizens, cooperating country nationals, and third country nationals.

-- Instituted a new delegation/warrant system prescribed by the Federal Acquisition Regulations and centralized these delegations of acquisition and assistance authority under the Procurement Executive.

-- In coordination with the Associated General Contractors revised A.I.D.'s nationality requirements to ensure a greater U.S. presence on construction projects performed overseas.

-- Implemented the Federal Grants and Cooperative Agreement Act by providing coverage in A.I.D. Handbook 13 recognizing cooperative agreements as a viable assistance instrument.

-- Revised A.I.D.'s rules on Commodity Import Programs (CIPs) to bring public sector procurement in line with standard host country contract procurement procedures.

-- Provided Missions more program flexibility by authorizing a blanket waiver permitting procurement of right-hand drive vehicles.

A - Organizational Management, Budget, and Agency Procurement Executive Activities

CURRENT GOALS

-- Work with the Office of Medical Services in the State Department to establish a system to ensure that A.I.D. contract employees overseas are provided with adequate health care.

-- Develop a comprehensive Career Development Plan for contracting professionals in the Agency as required by Executive Order 12352 on Federal Procurement Reform. The Plan will incorporate both general and specialized classroom training as well as the effective use of on-the-job training.

-- Develop new policy directives on local cost financing of commodities to ensure that abuses don't occur and that Missions comply with source requirements.

-- Continue to provide more useful Mission specific policy guidance on contracts and grants given the increased contract workload overseas.

-- Revise and amplify policy guidance by AID on grants to international organizations.

-- Cancel A.I.D. Handbook 16, Excess Property, and provide worldwide guidance on how PVOs can access excess property from other Government agencies.

-- Expand A.I.D.'s Competition Advocacy activities to include in house training and better procurement planning.

-- REVIEW AND REVISE A.I.D. REG. 1 to ensure that it is not overly burdensome yet meets all legislative requirements

A - Organizational Management, Budget, and Agency Procurement Executive Activities

CURRENT ISSUES

-- A.I.D. programs are subject to regular scrutiny by Congress, special interest groups, the press, and the public. As an Agency, we are constantly reviewing our own operations in a continuous attempt to improve our efficiency and effectiveness. There have been at least five procurement and management improvement studies involving procurement in the last six years.

There are, of course, problems related to the procurement process. The Agency has had good success identifying and correcting these. However, there is an unfortunate tendency to target "procurement problems" when considering program efficiency and effectiveness because it is an easily identifiable focal point in the process; it is an area without a management constituency; and it is an area whose complexities are not immediately apparent. These factors have made procurement a tempting target for quick fixes.

Our professional analysis of the procurement system indicates that it is quite responsive to the program needs of the Agency, and is about as simple and streamlined as it can be, within the constraints of external laws and regulations.

With certain exceptions specified in the Foreign Assistance Act and Executive Order 11223, A.I.D. is subject to the Federal Acquisition Regulation, and to various laws and regulations applicable to government procurement. This imposes some very real constraints on us, and on all other agencies.

There is little, if any, further real opportunity for basic, significant change to A.I.D.'s procurement system which we can make at our own discretion without obtaining outside review, clearance, and authorization from either OMB, Congress, or the President.

Much of what remains for our discretionary action is in the area of program planning. We believe that advance planning, taking procurement constraints into account, offers a largely untapped opportunity for improved operational efficiency and effectiveness.

B - Contracting, Grant and Commodity Procurement Operations

B -Contracting, Grant and Commodity Procurement Operations

ACCOMPLISHMENTS

-- Combined the separate offices of (1) Commodity Management, and (2) Contract Management into a single Office of Procurement.

-- Through intense training and recruitment efforts, increased the worldwide network of procurement officers; OP now backstops 52 Foreign Service procurement officers overseas.

-- Substantially reduced A.I.D./W commodity support staff to accommodate new implementation field authorities.

-- Developed and delivered an automated, contract writing system which includes periodically updated, complete provisions of the Federal Acquisition Regulations; used in A.I.D./W and 18 overseas Missions.

-- Terminated the Excess Property Program resulting in reduction of 16 full time staff positions and over $500,000 in annual expenditure savings.

-- Assisted Agency with extraordinary efforts in contracting, commodity procurement and transportation in support of African drought relief.

-- Based upon Grace Commission recommendations, took over Title II shipping program from USDA.

-- Instituted a major effort to closeout A.I.D./W contracts; 2,000 completed in past 18 months.

-- Through combined efforts of procurement workforce in A.I.D./W and abroad, attained management responsibility for some 2,200 contracts and grants with cumulative obligations in excess of 2.2 billion dollars.

B - Contracting, Grant and Commodity Procurement Operations

CURRENT GOALS

-- Install new information tracking systems in the Office of Procurement to ensure efficient document handling.

-- Identify impediments to the procurement process and change procedures to improve procurement processing.

B - Contracting, Grant and Commodity Procurement Operations

CURRENT ISSUES

-- Contract award to D. F. Young for freight forwarding has been suspended pending resolution of a protest filed with the Comptroller General by Universal Shipping Company.

-- Torricelli Amendment to the FAA, if enacted, may impose difficult monitoring requirements for commodity procurement from the United States and compliance with Cargo Preference requirements.

-- The Maritime Administration (MARAD) has reported A.I.D.'s failure to comply with 50-50 shipping requirements for CY 1985. A.I.D. has disputed this determination.

C - Automation and Management Services

C - Automation and Management Services

ACCOMPLISHMENTS

-- Successfully managed a formal information technology program that has had extraordinary growth:

-- New systems installed in each of 18 A.I.D./W bureaus and independent offices to link the organizations internally.

-- A.I.D./W workstations grew from 1 for each 14 employees to 1 for each 3 employees.

-- A.I.D. Missions with computer systems grew from 4 posts to all 75 posts.

-- USAID workstations increased from 80 to 1700.

-- Developed a standard Mission Accounting and Control System that is already operating at 25 posts that manage over 85% of mission funds.

-- Developed standard administrative and participant training systems for internal mission use and A.I.D./W use.

-- Developed a central Agency system, with PPC, to help bureaus manage their project portfolios.

-- Developed a 5-year plan to meet A.I.D.'s telecommunications needs and established A.I.D.'s first high-speed telecommunications network that already links all A.I.D./W bureaus with 13 missions.

-- Established a highly successful Technical Resource Center to provide direct support to Agency automation users.

-- Established a formal microcomputer program with standard hardware and software.

-- Improved communication through (1) workshops for project officers/managers in the use of automation tools for project design and implementation, (2) technical workshops for system managers, (3) a clearinghouse that enables missions to take advantage of software developed at other posts, (4) an active A.I.D./W system administrators group and (5) a strong client analyst relationship in A.I.D./W.

-- Replaced the Agency's aging central computer with new equipment that can be expanded to meet the Agency's needs through 1990.

C - Automation and Management Services

CURRENT GOALS

-- Develop a five-year strategic plan that will address A.I.D.'s information technology needs through 1993 (due in first quarter, 1988).

-- Establish a pilot site that will be used to determine if the Agency should move to the next higher level of use of technology--the extensive use of automation by officers as well as staff.

-- Plan and budget for replacement of aging A.I.D./W computer equipment in A.I.D./W Bureaus (plan due 1987, budget submissiond due 1987-89).

-- Extend the high-speed communications network to at least 30 posts by 1990, and simplify the use of the system.

-- Reduce long-term software system development and maintenance costs through the use of new software tools. Goal is a 25% reduction by 1990/91.

-- Allocate additional resources to meet the demand for the development of new systems, and support the new Financial Accounting and Control System (1987/88).

-- Reduce overall hardware maintenance costs through the selective use of third party firms (1988).

-- Provide adequate support to the rapidly growing mission automation program by adding contractor support (1988).

-- Reach a threshhold of one workstation for each two employees in A.I.D./W (1990).

-- Complete the consolidation of A.I.D.'s central IRM service contracts (fourth quarter 1987).

C - Automation and Management Services

CURRENT ISSUES

-- Increased importance of information systems security and differing A.I.D.-State views of systems security overseas.

-- Demands for new systems support as clients get more experience with their equipment--particularly microcomputers.

-- Alternate means of satisfying the growing demand for information technology services, recognizing budget contraints.

-- Delayed recompetition for worldwide contract that provides computer equipment, software and service to State, A.I.D., and U.S.I.A.

D - Operational Support Services for AID/W and Overseas

D - Operational Support Services for AID/W and Overseas

ACCOMPLISHMENTS

-- Relocated 480 scattered SER Directorate employees, and SDB to Twin Towers building in Rosslyn, Virginia; and installed cabling for Local Area Network.

-- Brought state-of-the-art System 85 telephone services to approximately 3/4 of A.I.D./W employees.

-- Modularized over 108,000 sq. ft. of office space in the Main State Department building.

-- Implemented space management plan to facilitate the reorganization and consolidation of several bureaus; relocated over 300 employees and reduced occupied office space by 11,500 sq. ft.

-- Automated operations of the worldwide telegram communications system, providing automated analysis and distribution of 50% of telegram traffic received in A.I.D./W.

-- Microfilmed project records in the three Geographic Bureaus, the Office of Procurement, and the Office of Financial Management. Approximately 150 file cabinets returned to stock or released for other use.

-- Identified records of A.I.D.'s predecessor agencies and initiated their declassification and transfer to the National Archives.

-- Implemented an automated system to track and report shipments of employee household effects, private vehicles, and unaccompanied baggage.

-- Established long term automated storage of telegrams to facilitate reference and research of telegrams.

-- Implemented a Government Owned/Contractor operated printing operations contract, and upgraded Agency-wide copy management services.

-- Contracted for warehouse operations: direct hire personnel now available to concentrate on higher property management priorities.

-- Negotiated lease for space in 515 22nd Street for relocation of M/FM employees in October 1987 and for M/PM later.

D - Operational Support Services for AID/W and Overseas

-- Assumed lease management responsibility from GSA for three office buildings and the Warehouse as part of GSA's program to improve building management services by delegating authority to tenant agencies.

-- Assumed direct administration of the Personal Property Claims Program from the Department of State.

-- Acquired and implemented an automated system for processing administrative purchases.

-- Conducted three joint State/A.I.D. management surveys to reduce overseas support costs.

-- Conducted ten overseas administrative management workshops to ensure that Executive Officers remain knowledgeable regarding management trends, issues.

-- Prepared GSO training manuals to upgrade FSN skills.

-- Regularize motor vehicle purchase and standardization requirements.

D - Operational Support Services for AID/W and Overseas

CURRENT GOALS

-- Update administrative management regulatory guidance.

-- Assist in streamlining the overseas office building security waiver approval process.

-- Assist U.S.A.I.D.s to reduce administrative management costs.

-- Increase administrative management delegations to the field.

-- Increase maximum amounts payable to employees under Military Personnel and Civilian Employees Claims Act for loss or damage to specific categories of personal property.

-- Convert from the use of indicia envelopes to direct mail metering and continue to modernize mail and distribution operations.

-- Consolidate employees in fewer office buildings near Main State and/or in Rosslyn; relocate Universal North employees to 515 22nd Street.

-- Microfilm project records in the S&T Bureau and implement overseas distribution of microfiched project documents.

-- Implement non-expendable property management system for A.I.D./W.

-- Improve system for distributing Agency internal and external mail.

-- Continue to modularize Main State office space.

-- Enhance information to employees on travel and transportation services and continue to improve client services.

-- Continue installation of "System 85" voice/data telecommunications system for A.I.D./W offices.

D - Operational Support Services for AID/W and Overseas

CURRENT ISSUES

-- How to manage the onerous impact of new State Department security requirements on:

1. leasing of additional U.S.A.I.D. office space overseas.

2. construction management of new U.S.A.I.D. office buildings.

-- Necessity for additional subordinate overseas slots to accommodate newly hired Executive Officers after their training is over and until attrition brings people and jobs more into balance.

-- Control of promotional benefits received by employees from carriers (e.g., frequent flyer bonus points).

-- Should Agency travel policy be revised to permit travel accommodation upgrades.

-- Contracting out mail & files function.

-- The Columbia Plaza building has environmental problems and is scheduled for major renovation to resolve them.

-- Main State Department building is in need of major renovation to upgrade electrical capacity and other infrastructure and may result in major temporary relocation of employees.

-- The Agency needs to issue revised smoking regulations.

OFFICE OF PERSONNEL MANAGEMENT

M/PM

BUREAU FOR MANAGEMENT

APRIL 20, 1987

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INTRODUCTION

OFFICE OF PERSONNEL MANAGEMENT
BUREAU FOR MANAGEMENT

The Office of Personnel Management is responsible for developing, implementing and managing a centralized personnel program for the Agency. This program includes Foreign Service (FS) employees located overseas (in approximately 70 different locations) and in AID/Washington; Civil Service (CS) employees; Foreign Service Nationals (FSNs); resident hire and American family member employees employed at overseas posts; and, certain aspects of participating agency and personal service contract employees. The program covers the full range of human resource activities including recruitment and selection, training, performance evaluation, career development, assignment, promotion, awards, benefits, retirement, employee relations and position classification.

Over the past several years, the Office of Personnel Management has had major accomplishments in the area of human resources management:

-- Implemented the Foreign Service Act of 1980 requiring a myriad of new policies, programs and changes in existing regulations

-- Developed and implemented the Foreign Service Open Assignment System to provide employees with an opportunity to actively participate in the assignment process

-- Implemented the Foreign Service selection out system to deal with those employees whose performance is less competitive than their peers

-- Established a Career Development program to provide employees advice on career advancement and counseling on skills areas that need improvement

-- Developed and implemented a comprehensive language training program to increase the effectiveness of Foreign Service employees stationed overseas

-- Instituted pay and allowance changes including performance pay for Foreign Service employees to provide additional incentives

-- Developed and installed new personnel evaluation systems for the Civil and Foreign Services to improve performance management

-- Improved manpower planning and forecasting to provide an accurate recruitment target

-- Implemented an Executive Personnel Assignment Program for the assignment of Foreign Service employees to executive level positions

-- Revised the International Development Intern Program to streamline the program as well as strengthen its best aspects

-- Revised recruitment and selection procedures for the Foreign Service to make the system more cost effective and to emphasize the need for managerial/interpersonal competence and technical expertise. Specific examples include reducing the number of technical selection panels; adding foreign language capability as a selection factor to reduce training costs, and discontinuing payment of travel of applicants to Washington, D. C. for interviews

-- Completely revised the training program to better align course offerings with the Agency's technical and policy goals

-- Developed an improved system for setting wages for Foreign Service Nationals and Agency classification standards to improve classification of A.I.D.-unique Foreign Service National positions

-- Developed or revised numerous Civil Service personnel policies and programs including a comprehensive performance management program and revision of the merit promotion program and of the reduction in force policy

-- Made significant improvement in and increased use of the automated personnel system to accommodate reduced ceiling and decrease the workload of staff

-- Implemented time-in-class (TIC) for Senior Foreign Service employees

-- Established a viable outplacement program particularly to assist those employees involuntarily leaving the Agency

-- Implemented a reduction in Agency personnel ceiling of 1061 work years without conducting a reduction in force.

The Office of Personnel Management is faced with two major priorities:

-- an accelerated effort to recruit and select more than 200 Foreign Service employees;

-- implementation of the new retirement systems for both Civil and Foreign Service employees.

With regard to the former, increased attrition coupled with a previous employment freeze has resulted in the Agency dropping well below the OMB authorized ceiling. To rectify this situation, a concerted effort is being made to recruit and hire a large number of employees by the end of the fiscal year without sacrificing quality.

The new retirement legislation is complex and has created a major workload for the personnel staff. In addition to training Office of Personnel Management staff in the new systems, we will provide counseling to all Agency employees on the pros and cons of converting to the new systems, as well as Thrift Savings Plan benefits.

Another area of major concern is the management and utilization of our Foreign Service Nationals (FSNs). We have recently established an FSN unit which is focusing on FSN benefits problems and the development of FSN training programs.

Other major issues facing the Office of Personnel Management are: time-in-class for Foreign Service employees below the Senior Foreign Service levels; improving secretarial and clerical recruitment; improving the decision-making process for executive assignments; increasing the supervisory and managerial skills of our senior executives; and, studying the question of whether a change in the length of tours of duty overseas would be more cost effective and would result in program management improvements.

CIVIL SERVICE PERSONNEL SYSTEM

The Civil Service is comprised of employees who provide program support, and at the higher levels, continuity to the management of the Agency's foreign assistance programs. These individuals serve at headquarters and are not assigned overseas (except on temporary duty). At the senior management level, the Foreign Assistance Act provides for 12 Presidential appointees. Other personnel authorities include an allocation of 52 Senior Executive Service positions, of which 35 are currently filled. Below this level we currently employ 1,582 persons in the General Schedule (GS). We are hiring from the outside for shortage category occupations such as secretaries, accountants, contract specialists, systems analysts and other positions for which there are an insufficient supply of in-house candidates. Compensation of GS employees is based on the rank-in-position concept; i.e. compensation or grade is based on the value of the work being performed. Promotion of GS employees requires open competition through the Agency's Merit Promotion Program. With the passage of the Civil Service Reform Act of 1978, a performance management system has been implemented which gives management strong sanctions (including removal) to take in response to poor performers. In addition, the act introduced the concept of pay for performance. Supervisory personnel within the GS system receive annual additions to individual salary levels, called Merit Increases, based on their documented achievement in accordance with the provisions of the Agency's Performance Management and Recognition System. Most non-supervisory GS employees are afforded union representation under negotiated agreement between the Agency and the American Federation of Government Employees.

Schedule C Personnel: Within the General Schedule authority are provisions for the non-competitive appointment of individuals who will have a confidential relationship to a Presidential Appointee or certain other political appointees. A.I.D. currently has 25 such persons. Individuals proposed for such appointments require White House approval prior to appointment. The position they will encumber also requires prior approval by the U.S. Office of Personnel Management.

Administratively Determined Personnel (AD): The AD authority empowers the Administrator to appoint or remove up to 110 employees without regard to any other personnel rule or regulation. Such individuals are untenured, serve at the pleasure of the Administrator, and may be removed at

any time. No more than 51 ADs may be compensated at a level in excess of GS-15, step 10. None may be compensated above the GS-18 rate of pay currently in effect (subject to the pay cap for GS employees of $72,500). It is the Agency's policy to adhere as closely as possible to the provisions governing the GS pay system when setting salary rates for individual AD personnel. This authority is frequently used to appoint individuals with unique scientific or technical qualifications for assignments of short duration. Upon termination of appointment, ADs who held a competitive appointment immediately before their AD appointment are entitled to reinstatement in the same position, or to one comparable to that held previously. There are currently 101 ADs on board. Two are compensated above the AD-15 level.

FOREIGN SERVICE PERSONNEL SYSTEM

The Agency presently has 1,871 direct hire U.S. Foreign Service Officers who are appointed, compensated and assigned under the provisions of the Foreign Assistance and Foreign Service Acts. The FS workforce comprises more than 20 discrete occupational specialty areas (education, economists, etc.). FS personnel are expected to be available for worldwide service; they spend varying portions of their careers both on resident overseas assignments (in some 70 developing countries) and in Washington; and are responsible for the backstopping, implementation and direction of the Agency's diverse foreign assistance and economic development programs. The assignment of Foreign Service Officers is a competitive process which attempts to balance Agency needs, employee preferences, and career development concerns. 297 of the total FS population are members of the Senior Foreign Service, compensated on the same schedule as the Senior Executive Service. Compensation for Foreign Service employees is based on the rank-in-person concept with individual officers generally serving in positions at their personal rank or at one grade above or below their personal rank. Appointments may be either non-career (for limited purposes and not to exceed 5 years) or career. Career Foreign Service Officers at or above the grade of FS-3 (GS-13 equivalent) are commissioned by the President with the advice and consent of the Senate. Promotions in the Foreign Service are based on a competitive system of peer review of performance. In addition to promoting top ranked individuals, review boards recommend relatively less competitive employees for selection out (removal). In addition to direct hire U.S. Foreign Service personnel, A.I.D. employs approximately 1,204 foreign national employees abroad, and very substantial numbers of contract employees of different kinds.

FOREIGN SERVICE NATIONAL PERSONNEL SYSTEM

Foreign Service Nationals (FSNs) are non-U.S.-citizens hired by the Agency to work in its overseas offices and missions. Foreign Service Nationals (also referred to as Host Country Nationals) are assigned to a broad range of duties. While most overseas managerial jobs are incumbered by U.S. Foreign Service employees, most of the worker-level positions are filled by foreign nationals.

A sample of Foreign Service National positions includes a project manager in Islamabad, a chauffeur in Yaounde, a voucher examiner in Cairo, the Director of the Office of Engineering in Lima, and the chief accountant in Abidjan. Foreign Service Nationals working for A.I.D. include individuals with some high-school level training through those with considerable training beyond the Doctoral level.

Foreign Service Nationals may be hired as direct-hire employees of the U.S. government (we employ approximately 1,200 direct-hire employees) or by Personal Services Contract (PSC). They are covered by a rank-in-position personnel system in which the nature of the duties to be performed and the level of responsibility inherent in the assignment are evaluated and allocated to a grade. Compensation and benefits are based on locally prevailing practices.

The Foreign Service National personnel system is an interagency system coordinated by the Department of State. System-wide position classification standards and individual-county compensation plans are approved by all foreign affairs agencies in Washington, while most job classifications and individual personnel actions are handled at post.

SUMMARY OF THE FOREIGN SERVICE ACT OF 1980

The Foreign Service Act of 1980 was effective February 15, 1981, except for two items, which were effective October 1, 1980:

- -- the change in the mandatory retirement age from age 60 to age 65;
- -- the effective date of the comparability pay increase for Foreign Service employees.

The intent of the Act is to establish a career Foreign Service characterized by excellence and professionalism to assist the President and the Secretary of State in conducting the various foreign affairs of the United States. The objective of the Act is to strengthen and improve the Foreign Service by:

- -- providing, in accordance with merit principles, career status only to employees who have demonstrated fitness of service, and separating employees who do not meet requisite performance standards;
- -- fostering the developing and implementation of policies and procedures that facilitate and encourge entry into and advancement in the service by persons from all segments of society, and assuring equal opportunity and fair and equitable treatment for all;
- -- providing for more efficient, economical and equitable personnel administration through a simplified structure of Foreign Service personnel categories and salaries;
- -- establishing a statutory basis for labor relations in the Foreign Service;
- -- minimizing the impact of the hardships, disruptions and other unusual conditions of service abroad upon Foreign Service employees and mitigating the special impact of such conditions on their families;
- -- providing salaries, allowances and benefits (including an incentive payments and awards program) that will attract and retain qualified persons;
- -- establishing a Senior Foreign Service characterized by strong policy formulation capabilities, outstanding executive leadership qualities and highly developed, functional language and area expertise;
- -- improving Foreign Service managerial flexibility and effectiveness;
- -- increasing efficiency and economy by promoting maximum compatibility among the five agencies authorized to use the Foreign Service personnel system, as well as compatibility between the Foreign Service personnel system and other federal personnel systems.

The Act specifies that the Secretary of State is responsible for coordinating implementation of the Foreign Service Act among the five foreign affairs agencies (A.I.D., U.S. Information Agency and the Departments of State, Commerce and Agriculture). But it also is important to note that in the

context of compatibility of use between the five agencies, the Act states that wherever the word "Secretary" is used, it also refers to and gives authority to the head of each of the agencies to act independently within overall need to assure compatibility and unity between the agencies.

Major provisions of the Foreign Service Act of 1980:

-- establishment of a system in which Foreign Service Officrs/Reserve and Foreign Service Staff are combined into one pay schedule labeled FS (FSO for State Department);

-- establishment of a Senior Foreign Service (SFS), somewhat analogous to the Senior Executive Service, establishing a new Senior Career group with three classes labeled (bottom up) Counsellor, Minister-Counsellor and Career Minister;

-- benefits to encourage and facilitate the recruitment and assignment of Foreign Service employees, especially to hardship and danger posts;

-- establishment of Tenure Boards to review applicants for career status into the Foreign Service and the Senior Foreign Service;

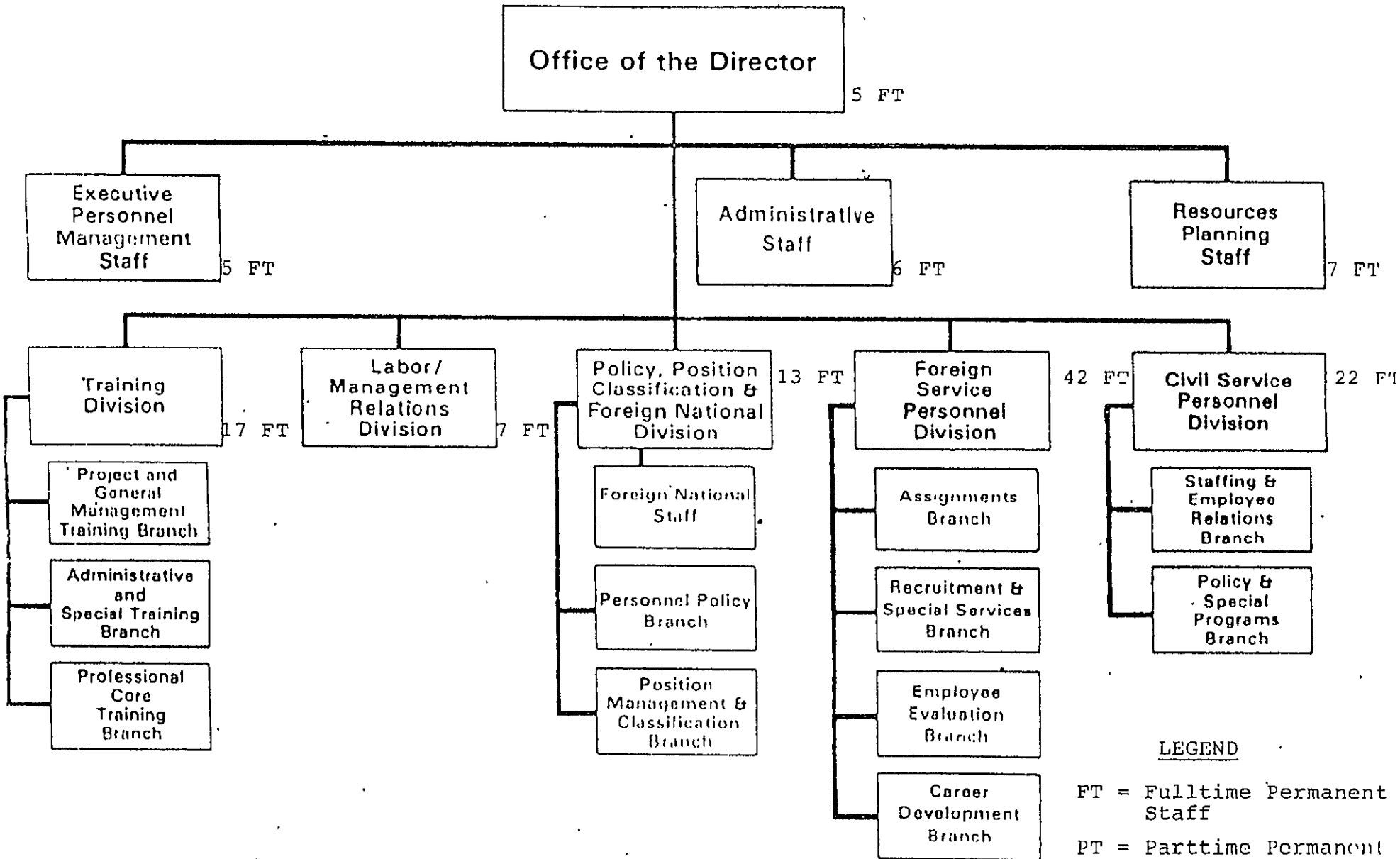
-- selection out of A.I.D.'s Foreign Service officers under a time-in-class concept (this aspect of the Act was not applicable to A.I.D. prior to the Act of 1980);

-- provides survivor benefits for certain former spouses of Foreign Service employees.

To respond to the Act, the five foreign affairs agencies have had to make additional career development efforts and to provide additional language training. Also, the Act codifies labor management relations regarding the Foreign Service and establishes a Foreign Service Labor Relations Board to handle allegations of violations of law, representation matters and negotiability issues.

Bureau for Management
Office of Personnel Management

Fulltime Permanent (FT) = 124
Parttime Permanent (PT) = 17



LEGEND

FT = Fulltime Permanent Staff

PT = Parttime Permanent Staff

KEY PERSONNEL

OFFICE OF THE DIRECTOR

Robert Halligan, Director
Lois E. Hartman, Deputy Director

ADMINISTRATIVE STAFF

Isabel C. Curtis, Administrative Officer

EXECUTIVE PERSONNEL MANAGEMENT STAFF

Peter W. Askin, Chief
Verna L. Reynolds, Deputy

RESOURCES PLANNING STAFF

Evelyn P. Hooker, Chief
William L. Harley, Jr., Deputy

CIVIL SERVICE PERSONNEL DIVISION

Jeanette M. Barrow, Chief
Shirley D. Renrick, Deputy

FOREIGN SERVICE PERSONNEL DIVISION

Francis R. Herder, Chief
Janet C. Rourke, Deputy

LABOR/MANAGEMENT RELATIONS DIVISION

William D. Jones, Chief
Helen R. MacKenzie, Deputy

POLICY, POSITION CLASSIFICATION AND FOREIGN NATIONAL DIVISION

Henry A. Ulrich, Jr., Chief
Mary Rita Zeleke, Chief, Foreign National Staff
Timothy R. Beaty, Chief, Position Classification Branch
Charles Douglas Brandi, Chief, Policy Branch

TRAINING DIVISION

Mary K. Huntington, Chief
Alberta P. Talbert, Deputy

ADMINISTRATIVE STAFF
M/PM/ADM

Chief, Isabel Curtis
Deputy, Yvette Hart

This staff provides standard administrative services to the Office of Personnel Management and in addition performs certain A.I.D./wide functions involving personnel records and budget support and employee services. Specific functions are:

-- Provides budget and personnel staff support for the Office of Personnel Management

-- Prepares and executes the personnel support budget for the Agency (Foreign Service retirement and relocation expense, travel and per diem for language training, invitational travel).

-- Provides for certain employee services: tax advisors, notaries, emergency loan fund, voter information.

-- Maintains the Official Personnel Files for the Agency for all direct hire employees.

EXECUTIVE PERSONNEL MANAGEMENT STAFF
(M/PM/EPM)

Chief, Peter W. Askin
Deputy, Verna L. Reynolds

The EPM staff is responsible for coordinating the development and administration of the Agency's executive personnel management program with emphasis on Foreign Service Personnel. Key functions are:

-- Serves as career counselor for employees assigned to executive (EPAP) positions and for employees seeking such assignments

-- Provides staff support and serves as executive secretary of the Executive Personnel Assignment Panel (EPAP)

-- Coordinates the process of selection and approval of assignments

-- Responsible for the Senior Foreign Service Performance Pay System and Presidential awards

-- Processes all actions for employees assigned to EPAP positions.

Executive Personnel Assignment Panel (EPAP) process

EPAP was established as a means for the Administrator to obtain the recommendations from senior managers, as a group, of candidates for assignment to executive-level positions. Executive-level positions include Deputy Assistant Administrators, Office Director and some Deputy Office Director positions in A.I.D./Washington as well as heads of overseas posts and their deputies. In most cases, these positions are filled by members of the Foreign Service.

In the past, the panel met annually and was chaired by the Administrator. Membership of the Panel included Assistant Administrators, independent office heads and the Director of Personnel. Recently we have revised the process to expedite decision making and to lessen the burden of long meetings on our top Agency management. For the assignment cycle covering January 1, 1988 through May 31, 1989, candidates for executive-level positions will be discussed with concerned bureaus/offices and assignment lists submitted by the Director of Personnel for approval by the Administrator.

RESOURCES PLANNING STAFF
(M/PM/RP)

Chief, Evelyn Hooker
Deputy, William Harley

This Staff is responsible for serving as systems and automation specialist for personnel operations and reporting and M/PM's liaison with the Office of Information Resources Management; and provides direction of the internal personnel management evaluation process. Specific functions are:

-- Operates the automated personnel system - RAMPS. Coordinates with the Office of Financial Management on interface of personnel data with the automated payroll and accounting systems.

-- Analyzes, compiles, and publishes information on A.I.D.'s past, current, and projected work force requirements.

-- Prepares and publishes strength data and all other personnel reports required by and of the Agency.

-- Identifies and advises on improving automated systems and improving utilization of automation in all operations.

-- Conducts management studies and evaluations at the request of the Director of Personnel.

CIVIL SERVICE PERSONNEL DIVISION
(M/PM/CSP)

Chief, Jan Barrow
Deputy, Shirley Renrick

This Division is responsible for the overall personnel management program for Civil Service employees including Executive Appointment personnel (Presidential Appointees), those in the General Schedule (GS and GM), the Senior Executive Service (SES), Administratively Determined personnel (AD), Schedule C personnel, Schedule A personnel (Attorneys) and Wage Grade personnel (WG). Specific key functions include:

-- The recruitment and management of the selection of professional, technical and secretarial/clerical personnel

-- The approval and processing of promotions and reassignments

-- The development, implementation and evaluation of the performance management program

-- The provision of technical assistance and advice on all employee relations matters including disciplinary and removal actions

-- Management of the employee benefits program including life insurance, health benefits and retirement

-- Processing personnel actions for all of the aforementioned functions plus pay adjustments and awards.

FOREIGN SERVICE PERSONNEL DIVISION
(M/PM/FSP)

Chief, Francis R. Herder
Deputy, Janet C. Rourke

The Foreign Service Personnel Division is responsible for the overall pesonnel management of Foreign Service employees (including Senior Foreign Service Employees) who are not assigned to executive-level positions. Specific key functions are:

-- Recruits for and manages the selection of A.I.D. Foreign Service officers

-- Manages the process of selection and approval of assignments

-- Develops and implements a career development and counseling program for Foreign Service employees

-- Manages an evaluation system for all Foreign Service employees including tenuring, promotion, cash awards and selection out

-- Responsible for the commissioning process

-- Manages the Agency's Outplacement Program

-- Processes all actions for employee's assigned to non-executive level positions

-- Manages the Joint Career Corps and Reverse Joint Career Corps Programs

-- Implements the Foreign Service Retirement and Disability System and the new Foreign Service Pension System

-- Provides advice to employees on a full package of benefits including health and life insurance, allowances, Foreign Service Medical program and benefits arising from medical evacuations and deaths overseas.

LABOR MANAGEMENT RELATIONS DIVISION
(M/PM/LMR)

Chief, William Jones
Deputy, Helen R. MacKenzie

This Division represents A.I.D management on all labor-management relations matters with the exclusive employee representatives, the American Foreign Service Association (AFSA) which is the union representing the Foreign Service employees; the American Federation of Government Employees (AFGE) which represents Civil Service employees; and with outside organizations and special boards and commissions such as the Foreign Service Grievance Board. Specific functions are:

-- Negotiates labor/management contracts and agreements on personnel management issues with the AFSA and AFGE.

-- Defends A.I.D. against unfair labor practices and related complaints.

-- Investigates employee grievances and prepares Agency decisions.

-- Administers the Workers' Compensation Program for A.I.D.

POLICY, POSITION CLASSIFICATION AND FOREIGN NATIONAL DIVISION (M/PM/PCF)

Chief, Henry Ulrich

Advises the Director of Personnel on policy development, proposed legislation and regulations affecting the personnel management systems of A.I.D. Administers programs for policy issuance, position management and classification, pay and compensation. Develops policy and coordinates personnel management matters for Foreign National, Third Country National and Personnel Services Contract employees.

These programs are carried out by the following:

Foreign National Staff (M/PM/PCF/FN): Chief, Mary-Rita Zeleke

Proposes policies concerning Foreign National personnel administration and directs or coordinates all A.I.D. personnel and training programs for Foreign National, Third Country National and Personnel Service Contract employees (who are FSNs).

The thrust of current programs is the overall improvement of the Foreign Service National personnel programs concentrating on the expansion of a comprehensive training program, and the development of standard guidelines for employee benefit packages world wide.

Personnel Policy Branch (M/PM/PCF/PP): Chief, Charles D. Brandi

Formulates and provides advice and interpretion of personnel policy and regulation. Performs or coordinates the development and coordination of the A.I.D. handbook, material for congressional presentations, reports, testimony, and legislative proposals. Represents the Agency with other Foreign Affairs agencies on development of joint policy and regulation. Oversees employee incentive awards system.

Position Management and Classification Branch (M/PM/PCF/PMC): Chief, Timothy Beaty

Classifies agency positions in accordance with governing law and standards provided by the U.S. Office of Personnel Management. Develops A.I.D. standards for Foreign Service Positions. Develops standards for Foreign National positions as required to meet special A.I.D. needs. Cooperates with the Department of State in development of interdepartmental standards and policies.

TRAINING DIVISION
(M/PM/TD)

Chief, Mary Huntington
Deputy, Alberta Talbert

This Division has responsibility for the planning, development and administration of the Agency's training program. Key functions include:

-- Design and management of general skills courses including project implementation, project design, financial analyses, contracting, data management, development studies and mid-level and senior management

-- Design and management of administrative, program and special technical courses including private sector, health, agriculture, microcomputer, secretarial and supervisory

-- Managing the new employee orientation program, short and long term training programs, Washington and post language programs and language proficiency testing

-- Managing the Agency's Development Resources Center (library, country specific training modules, reference service, video tapes)

Training Program

The Agency's training program has undergone a major revision over the past four years. The attached gives a brief description of the new program.

A.I.D. Staff Training

The Agency's staff training program has been completely restructured since 1981, in response to the emphasis placed on appropriate staff training and development in the Foreign Service Act of 1980, as well as the clear need to better align course offerings with the technical and policy aims of the Agency. This program was formerly characterized by a loosely organized and largely outdated collection of course offerings that included some program skills and technical subjects developed on an ad hoc basis, as well as mid-career and long term training combined with participation in multiple professional conferences. Between 1982 and 1984, a strategy for foreign service core training was developed, based on broad based needs assessments in AID/W and the field, for training throughout the typical foreign service career. Within this strategy framework, new courses have been designed and implemented that meet specific A.I.D.-related requirements necessary at each career stage and that are responsive to current operational and policy needs. Beginning with a substantive new entry orientation course, major features of the curriculum include skills training in basic design of projects; a group of program operational skills courses in such areas as project implementation, contracting, and project financial analysis; mid-level management skills; a series of technical state-of-the-art courses in the Agency's major technical fields; the mid-career development studies course; and ultimately the senior management course and special seminars for those entering executive positions in the field and Washington. Language training, data and information management systems, focussed short term technical and administrative training are also available under agency and Foreign Service Institute auspices or through private training institutions, while long term university training and U.S. Government short term executive programs are provided on a limited, selective basis. The Agency's sizeable Foreign Service National staff are also included in appropriate skills and technical training, and specialized training for secretarial and clerical staff is provided as necessary in a variety of office techniques, communications, and data/information processing.

The annual budget for the total training program amounts to $3.0 to $3.5 million, including some overseas presentations of the most heavily subscribed operational and management courses.

While the curriculum described above is widely applicable and available to the GS/GM staff of the Agency, a separate training needs assessment and strategy are currently being developed that will better identify and organize their training requirements with the objective of improved total staff development and productivity.

ISSUE OF POSSIBLE CONGRESSIONAL INTEREST

INTERNATIONAL DEVELOPMENT INTERN PROGRAM (IDI)

The International Development Intern Program is a program through which the Agency selects and trains highly qualified individuals in specifics of Agency programs. During the 1985 hiring freeze, the IDI program was suspended. During FY 86, the program was reinstated but extensive changes were made in the program's structure.

The best aspects of the program were retained but changes were made in the selection process and structure and length of the training program. Previous IDI's were selected by a series of panels including a paper review panel, a technical interview panel and a panel which interviewed for interpersonal/management skills. Under the current program, one panel performs all three functions. This has resulted in considerable savings in time and cost to the Agency. Language skills were made an intergral part of the selection criteria resulting in over 50% of the newly hired IDI's having language skills at or above the requirement for tenuring (conversion to career appointments). The training program was strengthened adding more specific job related training as well as the broader training needed to develop good future managers. In addition, the program was revised to give the IDI's up to one year of training in AID/Washington consisting of a combination of classroom and on-the-job training followed by up to one year of overseas training in the area of specialty. IDI's are no longer eligible for "automatic" promotions but are now subject to a more rigorous and periodic review by an IDI panel which will judge performance and satisfactory completion of training.

ROUTINE REPORTS

The Office of Personnel Management produces certain personnel reports on a monthly basis. These are attached as follows:

H-1 Summary Report of Direct and Non-Direct Hire Personnel Worldwide On-Board Employment (W-490)

H-2 Personnel Staffing Report - Full Time Employees Totals Since 1981

H-3 FS and CS Full Time Positions and Employees 1981 - 1987

H-4 AD Personnel Report

H-5 Schedule C Personnel Report

H-6 Senior Executive Service Personnel (career and non-career)

Report Control No. W-490/1

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
SUMMARY REPORT OF DIRECT & NON-DIRECT HIRE PERSONNEL
WORLDWIDE ON-BOARD EMPLOYMENT
(Includes TDP)

As of MAR 31, 1987

AID FTE WORKYEARS 4571.5;NON-FTE 258.1
FT POSITIONS 4608 (Incl 58 IDIs)
TDP FTE WORKYEARS 17
FT POSITIONS 15

		DIRECT HIRE			NON-DIR HIRE TOT ON BRD 2/	GRAND TOT ON BRD
		FULL TIME WITH PERMANENT TENURE OR WITH APPT GT 1 YR ("FTP")	NON FTP	TOTAL		
	TOTAL WORLDWIDE	4306	331 1/	4637	5540	10177
WORLD WIDE	TOTAL U.S. NATIONALS	3112	324 1/	3436	1135	4571
	TOTAL FOREIGN NATIONALS	1194	7	1201	4405	5606
	TOTAL UNITED STATES	1743	289 1/	2032	136	2168
UNITED STATES	Bureaus/Offices - US Natls	1743	289 1/	2032	136	2168
	Spec. Complements-US Natls	0	0	0	0	0
	Foreign Nationals					
	TOTAL OVERSEAS	2563	42	2605	5404	8009
	U.S. Nationals	1369	35	1404	999	2403
	Foreign Nationals	1194	7	1201	4405	5606
G						
	AFRICA BUREAU	702	10	712	1146	1858
	U.S. Nationals	423	8	431	372	803
	Foreign Nationals	279	2	281	774	1055
E						
	ASIA & NEAR EAST BUREAU	955	19	974	3868	4842
R	U.S. Nationals	444	17	461	360	821
	Foreign Nationals	511	2	513	2708	3221
S						
	LATIN AMERICA BUREAU	685	12	697	1189	1886
E	U.S. Nationals	307	9	316	266	582
	Foreign Nationals	378	3	381	923	1304
A						
	NON-REGIONAL OFCS.& COMPLS.	221	1	222	1	223
S	U.S. Nationals	195	1	196	1	197
	Foreign Nationals	26	0	26	0	26

Prepared By: M/PM/RP Resources Planning Staff

1/ Total incl 6 Reimb Det (5 AID/W 1 DS) Pub Hlth Ofcr in Shortage Category. 2/ Incl Qtrly Contract Summary as of 03/31/87;RSSA info as of 03/31/87; PASA info as of 03/31/87. Note: FN counts are as of this Report.

PART B

IRE PERSONNEL UNITED STATES
Employment by Organizational Unit
(Includes TDP)

OFFICE/BUREAU	DIRECT HIRE ON BRD		OTHER F/T	OTHER P/T	OTHER WAE	OTHER TOTAL	TOT ON BRD	NON DIR-HIRE TOTAL ON BOARD	GRAND TOTAL ON BOARD
Off of the Admin/	12	15	1	1	1	3	18	0	18
Off of the Exec.	16	14	0	0	0	0	14	0	14
BFAD/Support Sta	9	9	0	2	1	3	12	3	15
Off of Equal Opt	9	9	0	1	0	1	10	0	10
Off of the Insp.	4	93	90	0	5	0	5	95	0	95
Off of the Genera	48	42	43	0	2	0	2	45	0	45
Off of the Scienc	5	5	6	1*	1	0	2	8	0	8
Off of For. Disas	20	20	26	1*	4	0	5	31	10	41
Ofc Priv Sector (	4	4	1	0	0	0	0	1	0	1
Ofc Small & Disad	11	10	10	0	0	1	0	1	9	0	9
Bur for Extrnl. (OPA)	34	33.5	33	0	4	0	4	37	0	37
Off of Legislat Affairs	20	20	17	0	1	0	1	18	0	18
Bur of Prog & PgM Coord	114	114	115	2	20	1	23	138	3	141
Bur for Private Enterprise	45	46	42	0	2	1	3	45	1	46
Trade & Development Prog.	15	17	12	0	1	0	1	13	0	13
Bur for Science & Techn.	212	212	196	3*	41	0	52	248	51	299
[illegible] & Vlntry. Asst	78	79	72	0	4	1	5	77	0	77
Bur [illegible] Management	0	0	6	0	0	1	1	7	0	7
Dir for Prog & Mgt Servc	332	332	299	0	37	6	43	342	52	394
Ofc of Financial Mngmnt	142	142	128	0	11	1	12	140	0	140
Dir of Personnel Mngmnt	124	124	118	0	16	2	18	136	0	136
[illegible]ureau for Africa	182	182	171	2	13	0	15	186	4	190
[illegible]r for Asia & Near East	165	165	150	0	16	0	16	166	11	177
[illegible]r of Lat. Amer & Carib.	115	115	111	1	10	1	12	123	0	123
Sub-Total Ofcs & Burs	1805	1806.5	1691	11	193	24	228	1919	135	2054
[illegible]g. Coapis (See page 3)	41	41	52	22	39	0	61	113	1	114
[illegible]cl. Coapis (See page 3)	0	0	0	0	0	0	0	0	0	0
Sub-Total Complements	41	41	52	22	39	0	61	113	1	114
[illegible]TAL UNITED STATES	1846	1847.5	1743	33	232	24	289	2032	136	2168

Page 2

[illegible]cl 1 Reimb Det Pub Hlth Ofcr in shortage categories by agreement with Pub Hlth Serv;3 for Sci & Tech

BEST AVAILABLE

PART B

DIRECT & NON-DIRECT HIRE PERSONNEL UNITED STATES
Actual On-Board (ON-Brd) Employment by Organizational Unit
(Includes TDP)

OFFICE/BUREAU	DIRECT HIRE POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER F/T	P/T	WAE	TOTAL	TOT ON BRD	NON DIR-HIRE ON BRD	GRAND TOTAL ON BRD
REGULAR COMPLEMENTS										
FS REASSIGN-AID/W	0	0	0	0	0	0	0	0	0	0
FOREIGN SERVICE										
FS Detail Support	0	0	20	0	0	0	0	20	0	20
FS Medical	0	0	0	0	0	0	0	0	0	0
LWOP	0	0	2	0	0	0	0	2	0	2
Sub-Total FS Compls	0	0	22	0	0	0	0	22	0	22
CIVIL SERVICE										
CS Recruitment	0	0	16	19	21	0	40	56	0	56
CS Detail Support	0	0	14	2	1	0	3	17	1	18
Sub-Total CS Compls	0	0	30	21	22	0	43	73	1	74
TRAINING										
FS Long Term Trng	0	0	0	0	0	0	0	0	0	0
FS Entry Trng	0	0	0	0	0	0	0	0	0	0
Total Trng Compls	0	0	0	0	0	0	0	0	0	0
Youth Opport. Campaign	0	0	0	1	17	0	18	18	0	18
Summer Employment	0	0	3	0	0	0	0	3	0	0
Total Reg Complements	41	41	52	22	39	0	61	113	1	114

PART C

DIRECT & NON-DIRECT HIRE PERSONNEL OVERSEAS
Actual On-Board (On-Brd) Employment by Organizational Unit

OVERSEAS SUMMARY
As of MAR 31, 1987

ORGANIZATIONAL UNIT/ GEOGRAPHIC LOCATION	DIRECT HIRE U.S. NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER F/T	P/T	WAE	TOTAL	FOREIGN NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER P/T	WAE	TOTAL	TOT ON BRD	NON DIR-HIRE TOT ON BRD	GRAND TOT ON BRD
AFRICA																
REG	450	421	423	2*	6	0	431	326	306	279	2	0	281	712	1146	1858
IDI	9	9	8													
ASIA AND NEAR EAST																
REG	451	439	444	2	15	0	461	555	547	511	2	0	513	974	3068	4042
IDI	16	16	13													
LATIN AMERICA																
REG	322	307	307	0	9	0	316	425	410	378	3	0	381	697	1189	1886
IDI	8	8	6													
NON-REGIONAL																
Reg Inspector General																
REG	69	69	66	0	0	0	66	26	26	24	0	3	24	90	1	91
IDI																
[illegible]as and Bureaus																
REG	7	7	9	0	1	0	9	3	3	2	0	0	2	11	0	11
IDI																
Complements																
REG	155	148	121	0	0	0	121	3	0	0	0	0	0	121	0	121
IDI	25	25	0													
Subtotal Non-regional	231	224	195	0	1	0	196	29	29	26	0	0	26	222	1	223
	25	25	0													
TOTAL OVERSEAS																
REG	1464	1391	1369	4	31	0	1404	1335	1292	1194	7	0	1201	2605	5404	8009
IDI	58	58	27													

*Incl 1 Reimb Det Pub Hlth Ofcr in shortage category by agreement with Pub Hlth Serv. Note: Report reflects FY 1987 position and workyear limitation ceilings as of this date.

PART C

DIRECT & NON-DIRECT HIRE PERSONNEL OVERSEAS
Actual On-Board (On-Brd) Employment by Organizational Unit

BUREAU FOR AFRICA
As of MAR 31, 1987

DIRECT HIRE

ORGANIZATIONAL UNIT/ GEOGRAPHIC LOCATION	U.S. NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER F/T	P/T	WAE	TOTAL	FOREIGN NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER P/T	WAE	TOTAL	TOT ON BRD	NON DIR-HIRE TOT ON BRD	GRAND TOT ON BRD
Botswana	7	7	7	0	0	0	7	5	5	5	0	0	5	12	47	59
Burkina Faso	8	8	9	0	0	0	9	13	12	11	0	0	11	20	2	22
Burundi	5	4	5	0	0	0	5	4	4	4	0	0	4	9	20	29
Cameroon	21	21	21	0	1	0	22	15	15	14	0	0	14	36	75	111
Cape Verde	2	2	2	0	1	0	3	1	1	1	0	0	1	4	4	8
Chad	10	9	9	0	1	0	10	0	0	0	0	0	0	10	0	10
Djibouti	1	1	1	0	0	0	1	2	2	2	0	0	2	3	0	3
Ethiopia	3	1	4	0	0	0	4	2	2	4	0	0	4	8	2	10
Gambia	5	5	5	0	0	0	5	4	4	4	0	0	4	9	24	33
Ghana	4	4	4	0	1	0	5	10	10	9	0	0	9	14	27	41
Guinea	7	5	4	0	0	0	4	3	3	1	0	0	1	5	1	6
Guinea-Bissau	4	4	4	0	0	0	4	0	0	0	0	0	0	4	0	4
Kenya	28	25	27	0	0	0	27	22	22	20	0	0	20	47	122	169
Lesotho	10	10	10	0	0	0	10	7	7	9	0	0	9	19	16	35
Liberia	22	20	17	1	0	0	18	25	24	24	0	0	24	42	45	87
[illegible]car	2	2	0	0	0	0	0	1	1	0	0	0	0	0	0	0
[illegible]	10	8	7	0	0	0	7	4	4	3	0	0	3	10	25	35
Mali	19	18	18	0	0	0	18	13	12	11	0	0	11	29	32	61
Mauritania	0	0	5	0	0	0	5	10	10	10	0	0	10	15	63	78
Mozambique	7	5	5	0	0	0	5	2	2	0	0	0	0	5	17	22
Niger	24	22	19	0	1	0	20	11	11	10	0	0	10	30	70	100
Nigeria	2	2	2	0	0	0	2	2	2	2	0	0	2	4	1	5
Rwanda	9	8	8	1*	0	0	9	5	3	3	0	0	3	12	29	41
Senegal	24	23	20	0	0	0	20	20	19	17	0	0	17	37	146	183
Sierra Leone	2	1	2	0	0	0	2	4	4	4	0	0	4	6	1	7
Somalia Republic	27	25	25	0	0	0	25	10	10	7	0	0	7	32	7	39
South Africa (Repub)	8	5	3	0	1	0	4	2	2	0	0	0	0	4	0	4
Sudan	26	23	25	0	0	0	25	18	17	15	1	0	16	41	213	254
Swaziland	7	7	15	0	0	0	15	6	6	4	0	0	4	19	1	20
The Congo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2

*1 Reimb Det Pub Hlth Ofcr

PART C

DIRECT & NON-DIRECT HIRE PERSONNEL OVERSEAS
Actual On-Board (On-Brd) Employment by Organizational Unit

BUREAU FOR AFRICA
As of MAR 31, 1987

ORGANIZATIONAL UNIT/ GEOGRAPHIC LOCATION	DIRECT HIRE U.S. NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER F/T	P/T	WAE	TOTAL	FOREIGN NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER P/T	WAE	TOTAL	TOT ON BRD	NON DIR-HIRE TOT ON BRD	GRAND TOT ON BRD
Tanzania	3	3	4	0	0	0	4	9	5	9	0	0	9	13	13	26
Togo	5	5	5	0	0	0	5	3	3	3	0	0	3	8	11	19
Uganda	8	7	7	0	0	0	7	4	4	4	0	0	4	11	0	11
Zaire	21	20	21	0	0	0	21	16	16	14	0	0	14	35	88	123
Zambia	7	7	9	0	0	0	9	6	6	4	0	0	4	13	0	13
Zimbabwe	12	7	12	0	0	0	12	5	5	4	0	0	4	16	40	56
Reg Econ Dev Serv Off East Afr-REDSO/E																
Kenya	30	29	29	0	0	0	29	6	6	6	0	0	6	35	0	35
Reg Econ Dev Serv Off West Afr-REDSO/W																
Ivory Coast	41	41	38	0	0	0	38	22	22	20	0	0	20	58	2	60
Reg Financial Mngt Center																
[illegible]	6	6	7	0	0	0	7	22	22	19	1	0	20	27	0	27
Africa Regional																
France	1	1	1	0	0	0	1	1	1	0	0	0	0	1	0	1
Swaziland	10	9	0	0	0	0	0	1	1	0	0	0	0	0	0	0
Zambia	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Zimbabwe	0	5	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total Africa Reg	12	15	1	0	0	0	1	2	2	0	0	0	0	1	0	1
Regional Housing Ofc																
Ivory Coast	3	3	3	0	0	0	3	0	0	1	0	0	1	4	0	4
Kenya	4	4	4	0	0	0	4	1	1	1	0	0	1	5	0	5
Sub-Total Africa Reg	7	7	7	0	0	0	7	1	1	2	0	0	2	9	0	9
TOTAL AFRICA	462	450	425	2	6	0	431	317	306	279	2	0	281	712	1146	1858
Ovr Posn Clg	12															
Udr FSN Ceiling								-9								

PART C

DIRECT & NON-DIRECT HIRE PERSONNEL OVERSEAS
Actual On-Board (On-Brd) Employment by Organizational Unit

BUREAU FOR ASIA & NEAR EAST
As of MAR 31, 1987

ORGANIZATIONAL UNIT/ GEOGRAPHIC LOCATION	DIRECT HIRE U.S. NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER F/T	P/T	WAE	TOTAL	FOREIGN NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER P/T	WAE	TOT	TOT ON BRD	NON DIR-HIRE TOT ON BRD	GRAND TOT ON BRD
Bangladesh	32	32	32	0	2	0	34	58	58	54	0	0	54	88	370	458
Burma	8	7	9	0	1	0	10	1	1	1	0	0	1	11	13	24
India	28	26	25	0	0	0	25	50	49	42	2	0	44	69	69	138
Indonesia	40	39	40	0	0	0	40	70	70	69	0	0	69	109	170	279
Nepal	19	19.5	22	0	2	0	24	41	40	38	0	0	38	62	440	502
Pakistan	42	40	40	0	2	0	42	39	39	33	0	0	33	75	1428	1503
Philippines	35	34	34	0	1	0	35	64	63	53	0	0	53	88	126	214
South Pacific(ADO/Fiji)	4	4	4	0	0	0	4	2	2	1	0	0	1	5	8	13
Sri Lanka	19	19	22	0	1	0	23	24	22	20	0	0	20	43	49	92
Thailand	20	19	20	0	0	0	20	49	49	46	0	0	46	66	46	112
Afghanistan	7	6	6	1	0	0	7	0	0	0	0	0	0	7	20	27
Egypt	111	104	101	0	3	0	104	83	81	79	0	0	79	183	180	363
Italy	2	2	2	0	0	0	2	0	0	0	0	0	0	2	8	10
Jordan	17	16	16	0	2	0	18	14	14	14	0	0	14	32	31	63
Lebanon	1	1	1	0	0	0	1	4	4	3	0	0	3	4	7	11
Morocco	21	21	21	0	1	0	22	19	19	19	0	0	19	41	72	113
[illegible]	6	6	6	0	0	0	6	0	0	0	0	0	0	6	0	6
Portugal	1	0.5	1	0	0	0	1	3	3	3	0	0	3	4	8	12
Tunisia	12	12	11	0	0	0	11	14	14	14	0	0	14	25	20	45
Yemen	20	19	19	1	0	0	20	20	20	19	0	0	19	39	0	39
ANE/Regional																
Philippines	2	2	2	0	0	0	2	0	0	0	0	0	0	2	0	2
Thailand	1	1	1	0	0	0	1	0	0	3	0	0	3	4	1	5
Morocco	3	3	3	0	0	0	3	0	0	0	0	0	0	3	0	3
Jordan	1	1	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Sub-Total	7	7	7	0	0	0	7	0	0	3	0	0	3	10	1	11
Regional Housing Ofc																
Tunisia	3	3	3	0	0	0	3	0	0	0	0	0	0	3	2	5
Portugal	1	1	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Thailand	2	2	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Sub-Total	6	6	5	0	0	0	5	0	0	0	0	0	0	5	2	7
TOTAL ASIA & NEAR EAST	458	448	444	2	15	0	461	555	547	511	2	0	513	974	3868	4842
Udr Posn Clg/Ovr Wrk Yr Lm	-3	1														

PART C

DIRECT & NON-DIRECT HIRE PERSONNEL OVERSEAS
Actual On-Board (On-Brd) Employment by Organizational Unit

BUREAU FOR LATIN AMERICA
As of MAR 31, 1987

ORGANIZATIONAL UNIT/ GEOGRAPHIC LOCATION	DIRECT HIRE U.S. NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER F/T	P/T	WAE	TOTAL	FOREIGN NATIONALS POSN CEILING	FTP WRK YR LIM	ON BRD	OTHER P/T	WAE	TOT	TOT ON BRD	NON DIR-HIRE TOT ON BRD	GRAND TOT ON BRD
Belize	6	6	6	0	0	0	6	4	4	4	0	0	4	10	0	10
Bolivia	15	14.25	13	0	0	0	13	33	33	33	0	0	33	46	165	211
Brazil	1	1	0	0	0	0	0	2	2	2	0	0	2	2	0	2
Colombia	1	1	1	0	0	0	1	2	2	2	0	0	2	3	0	3
Costa Rica	25	23	23	0	1	0	24	19	19	19	0	0	18	42	88	130
Dominican Republic	20	19	19	0	0	0	19	30	30	29	0	0	29	48	44	92
Ecuador	15	14	14	0	1	0	15	16	16	16	0	0	16	31	32	63
El Salvador	37	35.25	35	0	1	0	36	43	43	36	0	0	36	72	149	221
Grenada	4	4	0	0	0	0	0	2	2	0	0	0	0	0	0	0
Guatemala	21	20.5	19	0	0	0	19	42	42	37	0	0	37	56	115	171
Haiti	24	22.5	25	0	1	0	26	36	36	32	1	0	33	59	2	61
Honduras	35	34.75	35	0	1	0	36	36	36	31	0	0	31	67	110	177
Jamaica	23	21.75	23	0	0	0	23	17	17	13	0	0	13	36	68	104
Mexico	1	1	1	0	0	0	1	4	4	4	0	0	4	5	6	11
Nicaragua	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
[illegible]	20	19.25	19	0	0	0	19	37	37	36	1	0	37	56	97	153
[illegible]ay	0	0	0	0	0	0	0	4	4	3	0	0	3	3	2	5
Peru	23	21	24	0	1	0	25	45	45	44	1	0	45	70	220	290
Puerto Rico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Uruguay	1	1	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Reg Off Cent Amer & Panama - RDCAP																
Costa Rica	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Guatemala	0	0	9	0	1	0	10	0	0	6	0	0	6	16	28	44
Sub-Total RDCAP	13	11.5	10	0	1	0	11	5	5	6	0	0	6	17	28	45
Reg Dev Off/Caribbean																
Barbados	27	26.25	29	0	2	0	31	32	32	31	0	0	31	62	55	117

PART C

DIRECT & NON-DIRECT HIRE PERSONNEL OVERSEAS
Actual On-Board (On-Brd) Employment by Organizational Unit

BUREAU FOR LATIN AMERICA
As of MAR 31, 1987

ORGANIZATIONAL UNIT/ GEOGRAPHIC LOCATION	DIRECT HIRE U.S. NATIONALS FTP POSN CEILING	FTP WRK YR LIM	FTP ON BRD	OTHER F/T	OTHER P/T	OTHER WAE	TOTAL	DIRECT HIRE FOREIGN NATIONALS FTP POSN CEILING	FTP WRK YR LIM	FTP ON BRD	OTHER P/T	OTHER WAE	TOT	TOT ON BRD	NON DIR-HIRE TOT ON BRD	GRAND TOT ON BRD
Latin America Regional																
Haiti	1	1	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Panama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total LA Regional	1	1	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Regional Housing Ofc																
Costa Rica	1	1	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Honduras	3	3	3	0	0	0	3	0	0	0	0	0	0	3	0	3
Jamaica	3	3	2	0	0	0	2	0	0	0	0	0	0	2	0	2
Panama	2	2	3	0	0	0	3	1	1	1	0	0	1	4	7	11
Peru	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total RHO	10	10	9	0	0	0	9	1	1	1	0	0	1	10	7	17
TOTAL LATIN AMERICA	323	308	307	0	9	0	316	410	410	378	3	0	381	697	1189	1886

Udn FSN Ceiling -15

DIRECT & NON-DIRECT HIRE PERSONNEL OVERSEAS
Actual On-Board (On-Brd) Employment by Organizational Unit

NON-REGIONAL (REG INSP GENERAL)
As of MAR 31, 1987

ORGANIZATIONAL UNIT/ GEOGRAPHIC LOCATION	DIRECT HIRE U.S. NATIONALS POSN CEILING	FTP WRK YR LIM	FTP ON BRD	OTHER F/T	OTHER P/T	OTHER WAE	TOTAL	FOREIGN NATIONALS POSN CEILING	FTP WRK YR LIM	FTP ON BRD	OTHER P/T	OTHER WAE	TOT	TOT ON BRD	NON-DIR-HIRE TOT ON BRD	GRAND TOT ON BRD
RIG/A/Latin America																
Honduras	17	17	17	0	0	0	17	10	10	9	0	0	9	26	0	26
RIG/A/Africa																
Kenya	9	9	9	0	0	0	9	3	3	3	0	0	3	12	0	12
Senegal	8	8	8	0	0	0	8	0	0	0	0	0	0	8	0	8
Sub-Total	17	17	17	0	0	0	17	3	3	3	0	0	3	20	0	20
RIG/A/Asia																
Philippines	9	9	8	0	0	0	8	0	0	0	0	0	0	8	0	8
Singapore	8	8	6	0	0	0	6	0	0	0	0	0	0	6	0	6
Sub-Total Asia	17	17	14	0	0	0	14	0	0	0	0	0	0	14	0	14
RIG/A/Near East																
Egypt	6	6	6	0	0	0	6	8	8	8	0	0	8	14	1	15
Total Near East	6	6	6	0	0	0	6	8	8	8	0	0	8	14	1	15
Egypt	2	2	2	0	0	0	2	2	2	2	0	0	2	4	0	4
Honduras	2	2	2	0	0	0	2	1	1	0	0	0	0	2	0	2
Kenya	2	2	2	0	0	0	2	1	1	1	0	0	1	3	0	3
Philippines	2	2	2	0	0	0	2	1	1	1	0	0	1	3	0	3
Senegal	2	2	2	0	0	0	2	0	0	0	0	0	0	2	0	2
Singapore	2	2	2	0	0	0	2	0	0	0	0	0	0	2	0	2
Sub-Total RIG/II	12	12	12	0	0	0	12	5	5	4	0	0	4	16	0	16
TOTAL REGIONAL INSPECTOR GENERAL	69	69	65	0	0	0	66	26	26	24	0	0	24	90	1	91

PART C

DIRECT & NON-DIRECT HIRE PERSONNEL OVERSEAS
Actual On-Board (On-Brd) Employment by Organizational Unit

NON-REGIONAL (OFCS & BUREAUS)
As of MAR 31, 1987

ORGANIZATIONAL UNIT/ GEOGRAPHIC LOCATION	DIRECT HIRE U.S. NATIONALS POSN CEILING	FTP WRK YR LIM	FTP ON BRD	OTHER F/T	OTHER P/T	OTHER WAE	TOTAL	FOREIGN NATIONALS POSN CEILING	FTP WRK YR LIM	FTP ON BRD	OTHER P/T	OTHER WAE	TOT	TOT ON BRD	NON DIR-HIRE TOT ON BRD	GRAND TOT ON BRD
Bur for Prog & Policy Coord																
France	4	4	4	0	0	0	4	2	2	1	0	0	1	5	0	5
Italy	1	1	0	0	1	0	1	0	0	0	0	0	0	1	0	1
Sub-Total PPC	5	5	4	0	1	0	5	2	2	1	0	0	1	6	0	6
Ofc of Food for Peace																
Italy	2	2	3	0	0	0	3	0	0	0	0	0	0	3	0	3
Ofc of Commodity Mgt - EXPROP																
Germany	0	0	0	0	0	0	0	1	1	1	0	0	1	1	0	1
Ofc of Trade & Dev Programs																
Hong Kong	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
TOTAL OFFICES & BUREAUS	7	7	8	0	1	0	9	3	3	2	0	0	2	11	0	11

PART C

DIRECT & NON-DIRECT HIRE PERSONNEL OVERSEAS
Actual On-Board (On-Brd) Employment by Organizational Unit

NON-REGIONAL (COMPLEMENTS)
As of MAR 31, 1987

ORGANIZATIONAL UNIT/ GEOGRAPHIC LOCATION	DIRECT HIRE U.S. NATIONALS POSN CEILING	FTP WRK YR LIM	FTP ON BRD	OTHER F/T	OTHER P/T	OTHER WAE	TOTAL	FOREIGN NATIONALS POSN CEILING	FTP WRK YR LIM	FTP ON BRD	OTHER P/T	OTHER WAE	TOT	TOT ON BRD	NON DIR-HIRE TOT ON BRD	GRAND TOT ON BRD
OVERSEAS COMPLEMENTS																
FS OVERSEAS DETAIL SUP COMPL																
Dhaka, Bangladesh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bangui, Cen Af; Rep	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Cameroon	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Cairo, Egypt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
San Salvador, El Salvador	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Guinea-Bissau	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Gabon	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Banjul, Gambia	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Jakarta, Indonesia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kenya	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Malawi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Niger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Suva, Fiji	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rome, Italy	0	0	3	0	0	0	3	0	0	0	0	0	0	3	0	3
[illegible]gue Netherlands	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
[illegible] Switzerland	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
[illegible]gkok, Thailand	0	0	1	0	0	0	1	0	0	0	0	0	0	1	0	1
Kinshasa, Zaire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington DC	0	0	3	0	0	0	3	0	0	0	0	0	0	3	0	3
SubTotl Reg Details Compl	0	0	15	0	0	0	15	0	0	0	0	0	0	15	0	15
FS OVERSEAS DETAIL SUP-JAG	0	0	11	0	0	0	11	0	0	0	0	0	0	11	0	11
TRAINING COMPLEMENTS																
Long Term Trng	0	0	12	0	0	0	12	0	0	0	0	0	0	12	0	12
Language Training	0	0	11	0	0	0	11	0	0	0	0	0	0	11	0	11
Entry Training	0	0	30	0	0	0	30	0	0	0	0	0	0	30	0	30
Sub-Total Trng Compls	0	0	53	0	0	0	53	0	0	0	0	0	0	53	0	53
FS REASSIGNMENT COMPLEMENT	0	0	42	0	0	0	42	0	0	0	0	0	0	42	0	42
TOTAL COMPLEMENTS	155	148	121	0	0	0	121	0	0	0	0	0	0	121	0	121
TOTAL NON-REGIONAL	231	224	195	0	1	0	196	29	29	26	0	0	26	222	1	223

The Monthly Personnel Staffing Report Reflects Full Time Employees in Permanent Positions For Jan 81 to end FY 84
For FY 85-87 This Report Reflects Full Time Employees With Permanent Tenure or with An Appointment GT 1 Yr

Location/Category	1/81	12/81	9/83	12/83	12/84	12/85	12/86	02/87	03/87		Target 9/30/87		Target 9/30/88
Overseas													
Foreign Service	1488	1464	1504	1506	1503	1424	1388	1369	1369		1428		1428
Foreign Nationals	1892	1701	1459	1415	1287	1254	1196	1197	1194				
Sub Total	3380	3165	2963	2921	2790	2678	2584	2566	2563				
AID/W (including TDP)													
Foreign Service	512	513	515	527	539	505	450	450	450				
Civil Service	1619	1522	1429	1433	1459	1359	1307	1285	1293				
Sub Total	2131	2035	1944	1960	1998	1864	1757	1735	1743		1823		1823
Total	5511	5200	4907	4881	4788	4542	4341	4301	4306				
GRAND TOTAL										DIFF CURR & 87 TAR		DIFF CURR & 88 TAR	
Foreign Service	2000	1977	2019	2033	2042	1929	1838	1819	1819				
Civil Service	1619	1522	1429	1433	1459	1359	1307	1285	1293				
USDH Total	3619	3499	3448	3466	3501	3288	3145	3104	3112	-139	3251	-139	3251
Foreign Serv Natl	1892	1701	1459	1415	1287	1254	1196	1197	1194				
	5511	5200	4907	4881	4788	4542	4341	4301	4306				

Personnel Management
April 13, 1987

CIVIL SERVICE FULL TIME PERMANENT CONTINUING POSITIONS

		-- AS OF -- 9/30/81		-- AS OF -- 9/30/82		-- AS OF -- 9/30/83		-- AS OF -- 11/30/84		-- AS OF -- 9/30/85		-- AS OF -- 6/30/86		-- AS OF -- 9/30/86		-- AS OF -- 3/16/87	
		NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS
01 EXECUTIVE PERSONNEL		44	2.59	62	4.11	50	3.34	50	3.41	46	3.49	44	3.24	45	3.31	41	3.00
02 PROGRAM ANALYSIS	1/	234	13.80	174	11.55	165	11.03	156	10.65	140	10.64	142	10.44	142	10.45	144	10.54
03 ADMINISTRATIVE MANAGEMENT		228	13.45	213	14.14	199	13.31	203	13.86	191	14.51	203	14.93	209	15.38	203	14.86
04 FINANCIAL MANAGEMENT		78	4.60	73	4.84	74	4.95	73	4.98	68	5.16	71	5.22	74	5.44	79	5.78
05 SECRETARIES & GEN CLERICAL		411	24.24	358	23.77	364	24.35	369	25.20	323	24.54	320	23.53	322	23.69	328	24.01
06 GENERAL SERVICES		10	0.59	9	0.59	9	0.60	10	0.68	9	0.68	12	0.88	12	0.88	13	0.95
07 ADMIN SUBPROFESSIONAL		257	15.16	239	15.86	253	16.92	249	17.00	223	16.94	234	17.21	226	16.63	219	16.03
08 AUDIT & INSPECTION		27	1.59	25	1.66	24	1.60	22	1.50	21	1.59	21	1.54	21	1.54	24	1.76
09 GENERAL DEVELOPMENT	2/	3	0.17	1	0.06												
10 AGRICULTURE		30	1.77	24	1.59	26	1.73	24	1.63	22	1.67	23	1.69	23	1.69	24	1.76
11 ECONOMIST	1/					25	1.67	22	1.50	18	1.36	19	1.40	21	1.54	21	1.54
12 PROGRAM MANAGEMENT	2/																
14 RURAL DEVELOPMENT	2/							1	0.06	1	0.07						
15 FOOD FOR PEACE												1	0.07	1	0.07	2	0.15
20 HOUSING, URBAN & COMUNTY DEV	3/	48	2.83	41	2.72	4	0.26	2	0.13	2	0.15	3	0.22	3	0.22	3	0.22
21 BUSINESS, INDUSTRY & PRIV SEC	3/					41	2.74	47	3.21	40	3.04	41	3.01	42	3.09	44	3.22
25 ENGINEERING		16	0.94	14	0.92	9	0.60	7	0.47	5	0.38	5	0.37	5	0.36	5	0.37
27 EQUIP OPNS & MAINTENANCE		9	0.53	10	0.66												
50 HEALTH, MEDICAL & POPULATION		34	2.01	24	1.59	24	1.60	21	1.43	18	1.36	18	1.32	19	1.40	19	1.39
60 EDUCATION		47	2.77	44	2.92	49	3.27	45	3.07	40	3.04	45	3.31	42	3.09	43	3.15
72 SOCIAL SERVICE	4/			1	0.06	7	0.46	7	0.47	8	0.60	9	0.66	10	0.73	10	0.73
75 PHYS & SOCIAL SCIENCE	4/					31	2.07	26	1.77	28	2.12	33	2.43	31	2.28	30	2.19
80 COMMUNITY & SOCIAL DEV.	4/	30	1.77	25	1.66												
85 LEGAL		37	2.18	27	1.79	26	1.73	22	1.50	26	1.97	29	2.13	27	1.98	31	2.27
91 PARTICIPANT TRAINING		18	1.06	6	0.39												
92 PROCUREMENT & PROP DISP	5/					29	1.94	29	1.98	22	1.67	22	1.62	22	1.62	20	1.46
93 CONTRACT MANAGEMENT	5/	86	5.07	92	6.10	50	3.34	52	3.55	46	3.42	47	3.46	46	3.38	47	3.44
94 CAPITAL PROJECTS/DEV. LOANS		24	1.41	22	1.46	21	1.40	17	1.16	12	0.91	13	0.96	12	0.88	12	0.88
99 PRINTERS/DRIVERS		23	1.35	20	1.32	13	0.86	10	0.68	6	0.45	5	0.37	4	0.29	4	0.29
TOTAL		1694	99.94	1504	99.93	1493	99.88	1464	99.99	1315	99.94	1360	100.00	1359	99.94	1366	99.99

1/ IN 1983 ECONOMIST POSITIONS WERE SPLIT OUT OF BS 02 - PROGRAM ANALYSIS INTO THE NEW BS 11 - ECONOMISTS.
2/ IN 1982 POSITIONS IN BS 09 - GENERAL DEVELOPMENT - WERE SPLIT AMONG TWO NEW BACKSTOPS, BS 12 - PROGRAM MANAGEMENT AND BS 14 - RURAL DEVELOPMENT.
3/ IN 1983 SOME POSITIONS IN BS 20 - HOUSING, URBAN AND COMMUNITY DEVELOPMENT WERE REMOVED AND FORMED A NEW BS 21 - BUSINESS, INDUSTRY AND PRIVATE SECTOR.
4/ IN 1983 POSITIONS IN BS 80 - COMMUNITY AND SOCIAL DEVELOPMENT WERE SPLIT AMONG BS 75 - PHYSICAL AND SOCIAL SCIENCE AND BS 72 - SOCIAL SERVICE.
5/ IN 1983 SOME POSITIONS IN BS 93 - CONTRACT MANAGEMENT WERE REMOVED AND FORMED A NEW BS 92 - PROCUREMENT AND PROPERTY DISPOSAL.

FOREIGN SERVICE FULL TIME PERM[illegible] CONTINUING POSITIONS

		-- AS OF -- 9/30/81		-- AS OF -- 9/30/82		-- AS OF -- 9/30/83		-- AS OF -- 11/30/84		-- AS OF -- 9/30/85		-- AS OF -- 6/30/86		-- AS OF -- 9/30/86		-- AS OF -- 3/16/87	
		NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS
01 EXECUTIVE PERSONNEL		120	6.27	184	9.75	153	8.07	147	7.87	143	7.80	150	8.49	150	8.56	154	8.89
02 PROGRAM ANALYSIS	1/	255	13.33	226	11.97	176	9.29	179	9.59	168	9.17	165	9.34	168	9.60	167	9.64
03 ADMINISTRATIVE MANAGEMENT		88	4.60	105	5.56	115	6.07	120	6.43	112	6.11	87	4.93	86	4.91	84	4.85
04 FINANCIAL MANAGEMENT		131	6.85	133	7.04	133	7.02	133	7.12	128	6.98	125	7.08	123	7.03	122	7.04
05 SECRETARIES & GEN CLERICAL		95	4.96	77	4.08	71	3.74	55	2.94	48	2.62	50	2.83	48	2.74	39	2.25
06 GENERAL SERVICES		41	2.14	37	1.96	32	1.68	34	1.82	37	2.02	7	0.40	7	0.40	7	0.40
07 ADMIN SUBPROFESSIONAL		35	1.83	36	1.90	36	1.90	32	1.71	24	1.31	23	1.30	24	1.37	24	1.39
08 AUDIT & INSPECTION		126	6.58	99	5.24	106	5.59	107	5.73	110	6.00	117	6.62	115	6.57	113	6.52
09 GENERAL DEVELOPMENT	2/	181	9.46	1	0.05												
10 AGRICULTURE		232	12.13	224	11.87	220	11.61	213	11.41	204	11.13	205	11.61	203	11.60	196	11.31
11 ECONOMIST	1/					55	2.90	62	3.32	67	3.65	72	4.08	69	3.94	71	4.10
12 PROGRAM MANAGEMENT	2/			135	7.16	114	6.01	111	5.94	105	5.73	102	5.77	101	5.77	99	5.71
14 RURAL DEVELOPMENT	2/					43	2.27	37	1.98	31	1.69	30	1.70	27	1.54	27	1.56
15 FOOD FOR PEACE		26	1.35	28	1.48	30	1.58	33	1.76	37	2.02	37	2.09	35	2.00	34	1.96
20 HOUSING, URBAN & COMUNTY DEV	3/	37	1.93	43	2.27	37	1.95	40	2.14	40	2.18	37	2.09	36	2.05	37	2.14
21 BUSINESS, INDUSTRY & PRIV SE	3/					20	1.05	25	1.34	28	1.52	26	1.47	28	1.60	32	1.85
25 ENGINEERING		94	4.91	68	3.60	65	3.43	71	3.80	62	3.38	59	3.34	56	3.20	57	3.29
30 ENERGY & NATURAL RESOURCES										11	0.60	12	0.68	12	0.68	11	0.63
50 HEALTH, MEDICAL & POPULATION		111	5.81	125	6.63	119	6.28	111	5.94	109	5.95	108	6.11	103	5.88	102	5.89
60 EDUCATION		39	2.03	59	3.12	50	2.64	44	2.35	40	2.18	39	2.21	41	2.34	40	2.31
70 PUBLIC ADMINISTRATION		4	0.20	2	0.10												
72 SOCIAL SERVICE	4/			3	0.15	2	0.10	2	0.10	2	0.10	1	0.06	1	0.06	1	0.06
75 PHYS & SOCIAL SCIENCE	4/	1	0.05	19	1.00	17	0.89	16	0.85	5	0.27	3	0.17	3	0.17	4	0.23
80 COMMUNITY & SOCIAL DEV.	4/	24	1.25														
85 LEGAL		29	1.51	32	1.69	32	1.68	34	1.82	34	1.85	30	1.70	33	1.88	33	1.90
91 PARTICIPANT TRAINING		10	0.52														
92 PROCUREMENT & PROP DISP	5/					40	2.11	33	1.76	36	1.96	32	1.81	32	1.83	29	1.67
93 CONTRACT MANAGEMENT	5/	54	2.82	55	2.91	25	1.32	23	1.23	33	1.80	34	1.92	36	2.06	39	2.25
94 CAPITAL PROJECTS/DEV. LOANS		178	9.30	193	10.22	202	10.66	205	10.98	218	11.90	215	12.17	213	12.17	211	12.18
TOTAL		1911	99.94	1884	99.85	1893	99.95	1867	100.07	1821	99.97	1766	99.97	1750	99.96	1733	100.01

1/ IN 1983 ECONOMIST POSITIONS WERE SPLIT OUT OF BS 02 - PROGRAM ANALYSIS INTO THE NEW BS 11 - ECONOMISTS.
2/ IN 1982 POSITIONS IN BS 09 - GENERAL DEVELOPMENT - WERE SPLIT AMONG TWO NEW BACKSTOPS, BS 12 - PROGRAM MANAGEMENT AND BS 14 - RURAL DEVELOPMENT.
3/ IN 1983 SOME POSITIONS IN BS 20 - HOUSING, URBAN AND COMMUNITY DEVELOPMENT WERE REMOVED AND FORMED A NEW BS 21 - BUSINESS, INDUSTRY AND PRIVATE SECTOR.
4/ IN 1983 POSITIONS IN BS 80 - COMMUNITY AND SOCIAL DEVELOPMENT WERE SPLIT AMONG BS 75 - PHYSICAL AND SOCIAL SCIENCE AND BS 72 - SOCIAL SERVICE.
5/ IN 1983 SOME POSITIONS IN BS 93 - CONTRACT MANAGEMENT WERE REMOVED AND FORMED A NEW BS 92 - PROCUREMENT AND PROPERTY DISPOSAL.

ALL FULL TIME PERMANENT CONTINUING POSITIONS

	-- AS OF -- 9/30/81		-- AS OF -- 9/30/82		-- AS OF -- 9/30/83		-- AS OF -- 11/30/84		-- AS OF -- 9/30/85		-- AS OF -- 6/30/86		-- AS OF -- 9/30/86		-- AS OF -- 3/16/87	
	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS
01 EXECUTIVE PERSONNEL	164	4.54	246	7.25	203	5.98	197	5.91	189	5.99	194	6.21	195	6.27	195	6.29
02 PROGRAM ANALYSIS 1/	489	13.54	400	11.80	341	10.05	335	10.05	308	9.76	307	9.82	310	9.97	311	10.03
03 ADMINISTRATIVE MANAGEMENT	316	8.75	318	9.38	314	9.26	323	9.69	303	9.60	290	9.28	295	9.48	287	9.26
04 FINANCIAL MANAGEMENT	209	5.78	206	6.07	207	6.10	206	6.18	196	6.21	196	6.27	197	6.33	201	6.48
05 SECRETARIES & GEN CLERICAL	506	14.01	435	12.83	435	12.83	424	12.72	371	11.76	370	11.84	370	11.89	367	11.84
06 GENERAL SERVICES	51	1.41	46	1.35	41	1.20	44	1.32	46	1.45	19	0.61	19	0.61	20	0.64
07 ADMIN SUBPROFESSIONAL	292	8.08	275	8.11	289	8.52	281	8.43	247	7.82	257	8.22	250	8.04	243	7.84
08 AUDIT & INSPECTION	153	4.23	124	3.65	130	3.83	129	3.87	131	4.15	138	4.41	136	4.37	137	4.42
09 GENERAL DEVELOPMENT 2/	184	5.09	2	0.05												
10 AGRICULTURE	262	7.25	248	7.31	246	7.25	237	7.11	226	7.16	228	7.29	226	7.27	220	7.09
11 ECONOMIST 1/					80	2.36	84	2.52	85	2.69	91	2.91	90	2.89	92	2.97
12 PROGRAM MANAGEMENT 2/			135	3.95	114	3.36	111	3.33	105	3.32	102	3.26	101	3.25	99	3.19
14 RURAL DEVELOPMENT 2/					43	1.26	38	1.14	32	1.01	30	0.96	28	0.90	28	0.90
15 FOOD FOR PEACE	26	0.72	28	0.82	30	0.88	33	0.99	37	1.17	38	1.22	36	1.16	36	1.16
20 HOUSING, URBAN & COMUNTY DEV 3/	85	2.35	84	2.47	41	1.20	42	1.26	42	1.33	40	1.28	40	1.29	40	1.29
21 BUSINESS, INDUSTRY & PRIV SEC 3/					61	1.79	72	2.16	68	2.15	67	2.14	69	2.22	76	2.45
25 ENGINEERING	110	3.04	82	2.41	74	2.18	78	2.34	67	2.12	64	2.05	61	1.96	62	2.00
27 EQUIP OPNS & MAINTENANCE	9	0.24	10	0.29												
30 ENERGY & NATURAL RESOURCES									11	0.34	12	0.38	12	0.38	11	0.35
50 HEALTH, MEDICAL & POPULATION	145	4.02	149	4.40	143	4.21	132	3.96	127	4.02	126	4.03	122	3.92	121	3.90
60 EDUCATION	86	2.38	103	3.03	99	2.92	89	2.67	80	2.53	84	2.69	83	2.67	83	2.68
70 PUBLIC ADMINISTRATION	4	0.11	2	0.05												
72 SOCIAL SERVICE 4/			4	0.11	9	0.26	9	0.27	10	0.31	10	0.32	11	0.35	11	0.35
75 PHYS & SOCIAL SCIENCE 4/	1	0.02	19	0.56	48	1.41	42	1.26	33	1.04	36	1.15	34	1.09	34	1.10
80 COMMUNITY & SOCIAL DEV. 4/	54	1.49	25	0.73												
85 LEGAL	66	1.82	59	1.74	58	1.71	56	1.68	60	1.90	59	1.89	60	1.93	64	2.06
91 PARTICIPANT TRAINING	28	0.77	6	0.17												
92 PROCUREMENT & PROP DISP 5/					69	2.03	62	1.86	58	1.83	54	1.73	54	1.74	49	1.58
93 CONTRACT MANAGEMENT 5/	140	3.87	147	4.33	75	2.21	75	2.25	78	2.48	81	2.59	82	2.64	86	2.77
94 CAPITAL PROJECTS/DEV. LOANS	202	5.59	215	6.34	223	6.57	222	6.66	230	7.29	228	7.29	225	7.23	223	7.19
99 PRINTERS/DRIVERS	23	0.63	20	0.59	13	0.38	10	0.30	6	0.19	5	0.16	4	0.13	4	0.13
TOTAL	3605	99.85	3388	99.97	3386	99.98	331	99.95	3146	99.98	3126	100.00	3110	99.98	3100	99.96

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CIVIL SERVICE EMPLOYEES
FULL TIME WITH: PERMANENT APPOINTMENTS
OR APPOINTMENTS OF MORE THAN ONE YEAR

		-- AS OF -- 9/30/81		-- AS OF -- 9/30/82		-- AS OF -- 9/30/83		-- AS OF -- 11/30/84		-- AS OF -- 9/30/85		-- AS OF -- 6/30/86		-- AS OF -- 9/30/86		-- AS OF -- 3/16/87	
		NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS
01	EXECUTIVE PERSONNEL	31	1.96	55	3.74	45	3.05	50	3.42	48	3.52	41	3.13	41	3.17	36	2.80
02	PROGRAM ANALYSIS 1/	224	14.22	187	12.73	170	11.53	163	11.17	160	11.74	146	11.14	149	11.53	147	11.42
03	ADMINISTRATIVE MANAGEMENT	206	13.07	211	14.37	212	14.38	209	14.32	193	14.17	197	15.04	206	15.94	199	15.46
04	FINANCIAL MANAGEMENT	78	4.95	68	4.63	67	4.54	67	4.59	63	4.62	68	5.19	69	5.34	74	5.75
05	SECRETARIES & GEN CLERICAL	377	23.93	336	22.88	355	24.08	347	23.78	314	23.05	303	23.13	288	22.29	295	22.92
06	GENERAL SERVICES	8	0.50	9	0.61	8	0.54	9	0.61	9	0.66	12	0.92	11	0.85	11	0.85
07	ADMIN SUBPROFESSIONAL	254	16.12	235	16.00	252	17.09	248	16.99	234	17.18	230	17.56	222	17.18	213	16.55
08	AUDIT & INSPECTION	25	1.58	22	1.49	21	1.42	22	1.50	20	1.46	20	1.53	19	1.47	20	1.55
09	GENERAL DEVELOPMENT 2/	1	0.06	1	0.06												
10	AGRICULTURE	26	1.65	21	1.43	23	1.56	23	1.57	24	1.76	20	1.53	21	1.62	22	1.71
11	ECONOMIST 1/					23	1.56	22	1.50	20	1.46	20	1.53	20	1.55	18	1.40
12	PROGRAM MANAGEMENT 2/																
14	RURAL DEVELOPMENT 2/																
15	FOOD FOR PEACE											1	0.08	1	0.07	2	0.15
20	HOUSING, URBAN & COMUNTY DEV 3/	45	2.85	39	2.65	3	0.20	2	0.13	2	0.14	3	0.23	3	0.23	3	0.23
21	BUSINESS, INDUSTRY & PRI SEC 3/					34	2.30	42	2.87	41	3.01	38	2.90	38	2.94	38	2.95
25	ENGINEERING	15	0.95	15	1.02	8	0.54	7	0.47	7	0.51	7	0.53	6	0.46	6	0.47
27	EQUIP OPNS & MAINTENANCE	9	0.57	9	0.61												
30	ENERGY & NATURAL RESOURCES																
50	HEALTH, MEDICAL & POPULATION	28	1.77	23	1.56	24	1.62	25	1.71	17	1.24	15	1.14	16	1.24	15	1.17
60	EDUCATION	44	2.79	46	3.13	53	3.59	51	3.49	48	3.52	46	3.51	47	3.64	48	3.73
70	PUBLIC ADMINISTRATION																
72	SOCIAL SERVICE 4/			1	0.06	6	0.40	8	0.54	8	0.58	8	0.61	9	0.69	9	0.69
75	PHYS & SOCIAL SCIENCE 4/					30	2.03	34	2.33	32	2.34	35	2.67	32	2.47	30	2.33
80	COMMUNITY & SOCIAL DEV. 4/	27	1.71	23	1.56												
85	LEGAL	28	1.77	25	1.70	24	1.62	21	1.43	25	1.83	22	1.68	23	1.78	25	1.94
91	PARTICIPANT TRAINING	17	1.07	12	0.81												
92	PROCUREMENT & PROP DISP 5/					28	1.89	28	1.91	27	1.98	22	1.68	18	1.39	17	1.32
93	CONTRACT MANAGEMENT 5/	85	5.39	86	5.85	53	3.59	53	3.63	45	3.30	37	2.82	36	2.78	40	3.10
94	CAPITAL PROJECTS/DEV. LOANS	25	1.58	24	1.63	22	1.49	16	1.09	13	0.95	12	0.92	11	0.85	12	0.93
95	INTERNATIONAL DEV. INTERNS					1	0.06										
99	PRINTERS/DRIVERS/OTHER	22	1.39	19	1.29	13	0.88	12	0.82	12	0.88	7	0.53	6	0.46	7	0.54
TOTAL		1575	99.99	1468	99.99	1474	99.99	1459	99.99	1362	99.99	1310	100.00	1292	99.94	1287	99.96

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FOREIGN SERVICE EMPLOYEES
FULL TIME WITH: PERMANENT APPOINTMENTS
OR APPOINTMENTS OF MORE THAN ONE YEAR

			-- AS OF -- 9/30/81		-- AS OF -- 9/30/82		-- AS OF -- 9/30/83		-- AS OF -- 11/30/84		-- AS OF -- 9/30/85		-- AS OF -- 6/30/86		-- AS OF -- 9/30/86		-- AS OF -- 3/16/87	
			NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS
01	EXECUTIVE PERSONNEL		112	5.63	172	8.76	157	7.77	154	7.49	158	8.09	158	8.52	154	8.39	158	8.70
02	PROGRAM ANALYSIS	1/	279	14.04	244	12.43	201	9.95	192	9.34	190	9.73	180	9.70	179	9.76	174	9.58
03	ADMINISTRATIVE MANAGEMENT		109	5.48	111	5.65	118	5.84	120	5.84	104	5.32	93	5.01	94	5.12	93	5.12
04	FINANCIAL MANAGEMENT		126	6.34	129	6.57	132	6.53	131	6.37	126	6.45	121	6.52	121	6.60	118	6.50
05	SECRETARIES & GEN CLERICAL		91	4.57	83	4.23	82	4.05	65	3.16	63	3.22	50	2.70	49	2.67	43	2.37
06	GENERAL SERVICES		46	2.31	40	2.03	34	1.68	27	1.31	25	1.28	21	1.13	18	0.98	16	0.88
07	ADMIN SUBPROFESSIONAL		41	2.06	39	1.98	40	1.98	38	1.85	30	1.53	27	1.46	26	1.41	26	1.43
08	AUDIT & INSPECTION		93	4.68	88	4.48	92	4.55	111	5.40	105	5.37	102	5.50	104	5.67	105	5.78
09	GENERAL DEVELOPMENT	2/	183	9.20														
10	AGRICULTURE		206	10.36	225	11.46	230	11.38	222	10.80	217	11.11	205	11.05	215	11.72	209	11.51
11	ECONOMIST	1/					51	2.52	68	3.31	64	3.27	63	3.40	67	3.65	69	3.80
12	PROGRAM MANAGEMENT	2/			147	7.49	131	6.48	122	5.93	122	6.25	118	6.36	108	5.88	105	5.78
14	RURAL DEVELOPMENT	2/					46	2.27	38	1.85	34	1.74	33	1.78	31	1.69	30	1.65
15	FOOD FOR PEACE		24	1.20	30	1.52	33	1.63	38	1.85	40	2.04	40	2.16	39	2.12	37	2.04
20	HOUSING, URBAN & COMUNTY DEV	3/	38	1.91	37	1.88	35	1.73	35	1.70	36	1.84	34	1.83	34	1.85	35	1.93
21	BUSINESS, INDUSTRY & PRI SEC	3/					15	0.74	22	1.07	22	1.12	25	1.35	27	1.47	29	1.60
25	ENGINEERING		88	4.42	70	3.56	68	3.36	71	3.45	66	3.38	60	3.23	57	3.11	57	3.14
27	EQUIP OPNS & MAINTENANCE																	
30	ENERGY & NATURAL RESOURCES										10	0.51	11	0.59	11	0.60	11	0.60
50	HEALTH, MEDICAL & POPULATION		103	5.18	128	6.52	122	6.03	119	5.79	112	5.73	104	5.61	102	5.56	102	5.62
60	EDUCATION		38	1.91	63	3.21	56	2.77	55	2.67	39	1.99	37	1.99	40	2.18	39	2.15
70	PUBLIC ADMINISTRATION		3	0.15	3	0.15	2	0.09	1	0.04								
72	SOCIAL SERVICE	4/			9	0.45	7	0.34	5	0.24	5	0.25	5	0.27	4	0.22	4	0.22
75	PHYS & SOCIAL SCIENCE	4/	1	0.05	16	0.81	16	0.79	14	0.68	4	0.20	2	0.11	2	0.11	3	0.16
80	COMMUNITY & SOCIAL DEV.	4/	27	1.35														
85	LEGAL		26	1.30	28	1.42	30	1.48	34	1.65	34	1.74	33	1.78	34	1.85	33	1.82
91	PARTICIPANT TRAINING		10	0.50														
92	PROCUREMENT & PROP DISP	5/					40	1.98	33	1.60	34	1.74	32	1.73	31	1.69	30	1.65
93	CONTRACT MANAGEMENT	5/	52	2.61	50	2.54	21	1.03	25	1.21	31	1.58	28	1.51	31	1.69	33	1.82
94	CAPITAL PROJECTS/DEV. LOANS		166	8.35	177	9.02	181	8.96	198	9.63	200	10.24	202	10.89	209	11.39	207	11.40
95	INTERNATIONAL DEV. INTERNS		125	6.29	73	3.72	80	3.96	116	5.64	81	4.14	71	3.83	47	2.56	50	2.75
99	PRINTERS/DRIVERS/OTHER																	
TOTAL			1987	99.99	1962	99.99	2020	99.99	2054	99.99	1952	99.99	1855	100.00	1834	99.94	1816	100.00

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5/ IN 1983 SOME POSITIONS IN BS 93 - CONTRACT MANAGEMENT WERE REMOVED AND FORMED A NEW BS 92 - PROCUREMENT AND PROPERTY DISPOSAL.

ALL EMPLOYEES
(FULL TIME WITH: PERMANENT APPOINTMENTS
OR APPOINTMENTS OF MORE THAN ONE YEAR)

		-- AS OF -- 9/30/81		-- AS OF -- 9/30/82		-- AS OF -- 9/30/83		-- AS OF -- 11/30/84		-- AS OF -- 9/30/85		-- AS OF -- 6/30/86		-- AS OF -- 9/30/86		-- AS OF -- 3/16/87	
		NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS	NO. POSNS	% TO TOT POS
01	EXECUTIVE PERSONNEL	143	4.01	227	6.61	202	5.78	204	5.80	206	6.21	199	6.29	195	6.24	194	6.25
02	PROGRAM ANALYSIS 1/	503	14.12	431	12.56	371	10.61	355	10.10	350	10.56	326	10.30	328	10.49	321	10.34
03	ADMINISTRATIVE MANAGEMENT	315	8.84	322	9.38	330	9.44	329	9.36	297	8.96	290	9.16	300	9.60	292	9.41
04	FINANCIAL MANAGEMENT	205	5.75	197	5.74	199	5.69	198	5.63	189	5.70	189	5.97	190	6.08	192	6.19
05	SECRETARIES & GEN CLERICAL	468	13.13	419	12.21	437	12.50	412	11.72	377	11.37	353	11.15	337	10.78	338	10.89
06	GENERAL SERVICES	54	1.51	49	1.42	42	1.20	36	1.02	34	1.02	33	1.04	29	0.92	27	0.87
07	ADMIN SUBPROFESSIONAL	295	8.28	274	7.98	292	8.35	286	8.14	264	7.96	257	8.12	248	7.93	239	7.70
08	AUDIT & INSPECTION	118	3.31	110	3.20	113	3.23	133	3.78	125	3.77	122	3.86	123	3.93	125	4.03
09	GENERAL DEVELOPMENT 2/	184	5.16	1	0.02												
10	AGRICULTURE	232	6.51	246	7.17	253	7.24	245	6.97	241	7.27	225	7.11	236	7.55	231	7.44
11	ECONOMIST 1/					74	2.11	90	2.56	84	2.53	83	2.62	87	2.78	87	2.80
12	PROGRAM MANAGEMENT 2/			147	4.28	131	3.74	122	3.47	122	3.68	118	3.73	108	3.45	105	3.38
14	RURAL DEVELOPMENT 2/					46	1.31	38	1.08	34	1.02	33	1.04	31	1.00	30	0.97
15	FOOD FOR PEACE	24	0.67	30	0.87	33	0.94	38	1.08	40	1.20	41	1.30	40	1.28	39	1.26
20	HOUSING, URBAN & COMUNTY DEV 3/	83	2.33	76	2.21	38	1.08	37	1.05	38	1.14	37	1.17	37	1.18	38	1.22
21	BUSINESS, INDUSTRY & PRI SEC 3/					49	1.40	64	1.82	63	1.90	63	1.99	65	2.08	67	2.16
25	ENGINEERING	103	2.89	85	2.47	76	2.17	78	2.22	73	2.20	67	2.12	63	2.02	63	2.03
27	EQUIP OPNS & MAINTENANCE	9	0.25	9	0.26												
30	ENERGY & NATURAL RESOURCES									10	0.30	11	0.35	11	0.35	11	0.35
50	HEALTH, MEDICAL & POPULATION	131	3.67	151	4.40	146	4.17	144	4.09	129	3.89	119	3.76	118	3.77	117	3.77
60	EDUCATION	82	2.30	109	3.17	109	3.11	106	3.01	87	2.62	83	2.62	87	2.78	87	2.80
70	PUBLIC ADMINISTRATION	3	0.08	3	0.08	2	0.05	1	0.02								
72	SOCIAL SERVICE 4/			10	0.29	13	0.37	13	0.37	13	0.39	13	0.41	13	0.42	13	0.42
75	PHYS & SOCIAL SCIENCE 4/	1	0.02	16	0.46	46	1.31	48	1.36	36	1.08	37	1.17	34	1.09	33	1.06
80	COMMUNITY & SOCIAL DEV. 4/	54	1.51	23	0.67												
85	LEGAL	54	1.51	53	1.54	54	1.54	55	1.56	59	1.78	55	1.74	57	1.82	58	1.87
91	PARTICIPANT TRAINING	27	0.75	12	0.34												
92	PROCUREMENT & PROP DISP					68	1.94	61	1.73	61	1.84	54	1.71	49	1.57	47	1.51
93	CONTRACT MANAGEMENT	137	3.84	136	3.96	74	2.11	78	2.22	76	2.29	65	2.05	67	2.14	73	2.35
94	CAPITAL PROJECTS/DEV. LOANS	191	5.36	201	5.86	203	5.80	214	6.09	213	6.42	214	6.76	220	7.04	219	7.06
95	INTERNATIONAL DEV. INTERNS	125	3.50	74	2.15	80	2.28	116	3.30	81	2.44	71	2.24	47	1.50	50	1.61
99	PRINTERS/DRIVERS	22	0.61	19	0.55	13	0.37	12	0.34	12	0.36	7	0.22	6	0.19	7	0.22
	TOTAL	3563	100.02	3430	99.99	3494	99.99	3513	99.99	3314	99.99	3165	100.00	3126	100.00	3103	99.96

1/ IN 1983 ECONOMIST POSITIONS WERE SPLIT OUT OF BS 02 - PROGRAM ANALYSIS INTO THE NEW BS 11 - ECONOMISTS.
2/ IN 1982 POSITIONS IN BS 09 - GENERAL DEVELOPMENT - WERE SPLIT AMONG TWO NEW BACKSTOPS, BS 12 - PROGRAM MANAGEMENT AND BS 14 - RURAL DEVELOPMENT.
3/ IN 1983 SOME POSITIONS IN BS 20 - HOUSING, URBAN AND COMMUNITY DEVELOPMENT WERE REMOVED AND FORMED A NEW BS 21 - BUSINESS, INDUSTRY AND PRIVATE SECTOR.
4/ IN 1983 POSITIONS IN BS 80 - COMMUNITY AND SOCIAL DEVELOPMENT WERE SPLIT AMONG BS 75 - PHYSICAL AND SOCIAL SCIENCE AND BS 72 - SOCIAL SERVICE.

MANAGER TO MANAGER

AD Personnel -- Appointments and Promotion

March 31, 1987

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Abrams, Stephen N.	Cong. Liaison Officer	LEG	55,544	01/07/85	AD-15/04	57,488				
							AD-15/05	59,230	Step Increase	01/04/87
							AD-15/05	61,006	Pay Adjust	01/04/87
Aller, Howard L.	Gen Business Specialist NTE 11/20/87	PRE/I	63,000	11/18/84	AD-15/10	65,642	AD-15/10	67,940	Comparability	01/06/85
							AD-15/10	69,976	Pay Adjust	01/04/87
Atkins, Adrian O.	Motor Vehicle Operator	LUG	19,513	09/14/86	AD-07/08	21,982				
							AD-07/08	22,642	Pay Adjust	01/04/87
Atwood, David A.	Economist	ST/RD	33,500	04/01/84	AD-13/02	37,538	AD-13/02	38,852	Comparability	01/06/85
							AD-13/03	40,105	Step Increase	03/31/85
							AD-13/04	41,358	Pay Adjust	11/24/85
							AD-13/04	42,600	Pay Adjust	01/04/87
Babcock, Christine	Disaster Op Spec	OFDA		02/03/85	AD-13/01	37,599	AD-13/03	40,105	Pay Adjust	12/02/85
							AD-13/03	41,309	Pay Adjust	01/04/87
							AD-14/01	45,763	Promotion	02/15/87
Bafalis, Renee	Disaster Op Spec	OFDA	32,673	08/11/85	AD-12/02	32,673				
							AD-12/03	33,727	Step Increase	08/17/86
							AD-12/03	34,739	Pay Adjust	01/04/87
Barbiero, Victor K.	Public Health Advisor	S&T	36,000	07/22/84	AD-13/02	37,538	AD-13/02	38,852	Comparability	01/06/85
							AD-13/03	40,105	Step	07/21/85
							AD-13/04	41,358	Step	07/20/86
							AD-13/04	42,600	Pay Adjust	01/04/87
Benoliel, Sharon P	Program Analyst	ASIA	21,053	01/20/81	AD-12/01	26,951	AD-12/03	31,332	Pay Adjust	09/19/82
							AD-12/04	33,603	Pay Adjust	09/19/82
							AD-12/04	34,781	Comparability	01/06/85
							AD-12/05	35,835	Step	09/15/85
							AD-12/05	36,911	Pay Adjust	01/04/87
Brower, Charles	Special Asst NTE 04/06/87	M/PM/COMP	160,000	02/01/87	AD-16/05	70,800				
							AD-16/05	71,555	Pay Adjust	02/15/87
Brunner, Susan	Executive Assistant	ES	26,166	05/12/85	AD-10/07	28,811	AD-10/00	29,611	Pay Adjust	05/11/86
							AD-10/08	30,500	Pay Adjust	01/04/87

MANAGER TO MANAGER

AD Personnel -- Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Byers, Lo Ann	Executive Assistant	A/AID	21,500	01/04/83	AD-11/03	26,142	AD-11/05	27,776	Pay Adjust	08/21/83
							AD-12/02	31,567	Promotion	03/04/84
							AD-12/02	32,673	Comparability	01/06/85
							AD-12/03	33,727	Step Increase	03/03/85
							AD-12/08	38,997	Pay Adjust	03/31/85
							AD-12/09	40,051	Pay Adjust	03/16/86
							AD-12/09	41,255	Pay Adjust	01/04/87
							AD-12/10	42,341	Pay Adjust	03/15/87
Cahn, David L.	Special Assistant	AA/ANE	55,00	10/19/86	AD-15/05	59,230				
							AD-15/05	61,006	Pay Adjust	01/04/87
Chandler, Peter S.	Writer Editor	XA/PL	144 per day	12/07/86	AD-13/03	40105				
							AD-13/03	41,309	Pay Adjust	01/04/87
Chase, Suzanne H.	Executive Assistant	A/AID	23,800	05/13/84	AD-11/01	25,489	AD-11/01	26,381	Comparability	01/06/85
							AD-11/03	28,139	Pay Adjust	05/26/85
		XA		05/26/85			AD-11/03	28,139	Reassignment	05/26/85
							AD-11/05	29,897	Pay Adjust	02/16/86
							AD-12/01	31,619	Promotion	05/25/86
							AD-12/01	32,567	Pay Adjust	01/04/87
Chase-Lansdale, W. C.	Special Assistant	PRE	62,404	02/16/86	AD-15/07	62,714				
	Gen Bus Spc	PRE					AD-15/07	62,714	Reassignment	05/11/86
							AD-15/07	64,594	Pay Adjust	01/04/87
Claffey, Joan M.	Education Dev Off	ST/ED	37,599	09/08/85	AD-14/01	44,430	AD-14/02	45,911	Step Increase	09/14/86
							AD-14/02	47,288	Pay Adjust	01/04/87
Clay, Robert	Public Health Advisor	ST	$125 p/day	04/24/84	AD-12/04	33,603	AD-12/05	34,621	Quality Step Inc	11/25/84
							AD-12/05	35,035	Comparability	01/06/85
							AD-13/02	38,852	Promotion	06/23/85
							AD-13/03	40,105	Pay Adjust	06/22/86
							AD-13/03	41,309	Pay Adjust	01/04/87

MANAGER TO MANAGER

AD Personnel -- Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Cohen, Norman	Special Asst	AA/AID	67,930	06/22/86	AD-16/05	68,700				
							AD-16/05	70,800	Pay Adjust	01/04/87
							AD-16/05	71,555	Pay Adjust	02/15/87
Cross, Harry	Social Science Analyst	ST/POP	40,200	04/01/84	AD-14/02	44,359	AD-14/02	45911	Comparability	01/06/85
							AD-14/03	47,392	Step Increase	03/31/85
							AD-14/07	53,316	Step Increases	01/19/86
							AD-14/07	54,931	Pay Adjust	01/04/87
Cummings, Ralph	Agricultural Econ	S&T	52,158	07/21/82	AD-15/08	57,500	AD-15	59,801	Pay Adjust	12/18/82
							AD-15	63,423	Merit Pay Inc	10/02/83
							AD-15/10	65,642	Pay Adjust	10/14/84
							AD-15/10	67,940	Comparability	01/06/85
							AD-15/10	69,976	Pay Adjust	01/04/87
Dailey, Thomas	Special Assistant	PPC	54,004	01/26/86	AD-15/02	54,0004				
							AD-15/02	55,624	Pay Adjust	01/04/87
							AD-15/03	57,418	Step Increase	02/01/87
Davidson, Oliver	Disaster Ops Off	OFDA	51,808	02/15/87	AD-15/02	55,624				
Donahue, Jerome	Admin Officer	OFDA	31,000	12/24/84	AD-13/01	36,327	AD-13/01	37,599	Comparability	01/06/85
							AD-13/02	38,852	Pay Adjust	07/21/85
							AD-13/03	40,105	Pay Adjust	02/16/86
							AD-13/05	42,611	Pay Adjust	12/21/86
							AD-13/05	43,891	Pay Adjust	01/04/87
Dry, James R.	Program Analyst	PPC	51,095	09/14/86	AD-14/06	51,835				
							AD-14/06	53,388	Pay Adjust	01/04/87
Duncan, Joe S.	Program Analyst	PRE	50,000	05/13/84	AD-14/01	42,928	AD-14/01	44,430	Comparability	01/06/85
							AD-14/04	48,873	Pay Adjust	05/26/85
		LWG					AD-14/04	48,873	Reassignment	08/11/85
							AD-14/06	51,835	Pay Adjust	05/25/86
							AD-14/06	53,388	Pay Adjust	01/04/87
Farnham, Hunter	Disaster Op Off	AFR	57,759	07/07/85 (conversion)	AD-15/05	59,230				
							AD-15/05	61,006	Pay Adjust	01/04/87

MANAGER TO MANAGER

AD Personnel — Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Fox, James	International Econ	IAC	46,060	05/06/82	AD-15/05	52,909	AD-15	55,878	Merit Pay Inc	10/03/82
							AD-15	59,724	Merit Pay Inc	10/02/83
							AD-15/08	62,276	Pay Adjust	10/14/84
							AD-15/08	64,456	Comparability	01/06/85
							AD-15/08	66,388	Pay Adjust	01/04/87
Fox, Judith	Executive Assistant	A/AID	18,500	02/28/82	AD-10/04	23,594	AD-11/06	28,593	Promotion	11/07/82
							AD-11/09	32,134	Pay Adjust	02/05/84
							AD-11/10	33,139	Pay Adjust	03/04/84
							AD-11/10	34,292	Comparability	01/06/85
	Special Assistant						AD-12/07	37,943	Promotion	03/17/85
		FVA/PVC							Reassignment	12/15/85
							AD-13/05	42,611	Promotion	04/27/86
							AD-13/05	43,891	Pay Adjust	01/04/87
	Public Affairs Spc	XA/PL					AD-13/05	43,891	Reassignment	02/01/87
Gillmore, Judith	Sup Program Analyst	FVA	58,058	2/15/87	AD-15/06	62,800				
Goddard, Paula	Prog. Analysis Officer	PPC	27,453	02/26/79	AD-14/01	32,442	AD-15	54,987		
							AD-15/05	57,227	Pay Adjust	10/14/84
							AD-15/05	59,230	Comparability	01/06/85
							AD-15/06	60,972	Step Increase	10/12/86
							AD-15/06	62,800	Pay Adjust	01/04/86
Grant, John P.	Intl Cpt Spec	FVA	32,300	03/18/84	AD-13/04	39,960	AD-13/04	41,358	Comparability	01/06/85
							AD-13/05	42,611	Pay Adjust	03/16/86
							AD-13/05	43,891	Pay Adjust	01/04/87
							AD-14/02	47,288	Promotion	03/15/87
Greenman, Antonia	Special Assistant	PM/COMP	32,000	10/27/85	AD-12/04	34,781				
							AD-12/04	35,825	Pay Adjust	01/04/87

MANAGER TO MANAGER

AD Personnel -- Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Grigsby, Carol	Financial Analyst	PPC	17,035	09/21/80	AD-11/01	20,611	AD-12/01	28,245	Promotion	04/04/82
							AD-12/02	30,353	Step Increase	04/03/83
							AD-13/01	34,930	Promotion	08/21/83
							AD-13/02	37,538	Step Increase	08/19/84
							AD-13/02	38,852	Comparability	01/06/85
							AD-13/03	40,105	Step Increase	08/18/85
							AD-14/01	44,430	Promotion	03/16/86
							AD-14/01	45,763	Pay Adjust	01/04/87
							AD-14/02	47,288	Step Increase	03/15/87
Grinder, Susan	Secretary-Steno	AA/XA	19,000	02/17/87	AD-09/01	22,458				
Haire, Paul	Special Assistant	PPC	211 per day	06/11/84	AD-15/01	50,495	AD-15/01	52,262	Comparability	01/06/85
							AD-15/02	54,004	Step Increase	06/09/85
		PRE					AD-15/02	54,004	Reassignment	07/28/85
							AD-15/03	55,746	Step Increase	06/08/86
		PRE/PD					AD-15/03	55,746	Reassignment	10/01/86
							AD-15/03	57,418	Pay Adjust	01/04/87
Hamolsky Esperanza B.	Secretary, Steno	LAC	14,336	09/18/86	AD-09/01	21,804				
	Clerk Typist	LAC					AD-05/02	14,870	Reassign/Pay Adjust	12/21/86
	NTE 05/01/87						AD-05/02	15,316	Pay Adjust	01/04/87
Harley, William	Sup Per Mgmt Spec	H/PM	43,780	04/22/84	AD-14	46,407	AD-14/05	48,652	Pay Adjustment	10/14/84
							AD-14/05	50,354	Comparability	01/06/85
							AD-14/06	51,835	Step Increase	10/12/86
							AD-14/06	53,388	Pay Adjust	01/04/87
Harrell, Levonne	Per Stat Spec Rc	H/PM	30,402	01/15/84	AD-12/01	30,549	AD-12/01	31,619	Comparability	01/06/85
							AD-12/02	32,673	Step Increase	01/20/85
		OFDA					AD-12/02	32,673	Reassignment	09/01/85
							AD-12/03	33,727	Step Increase	01/19/86
	Disaster Opns Spcl	OFDA					AD-12/03	33,727	Reassignment	08/17/86
							AD-12/03	34,739	Pay Adjust	01/04/87
Harvey, Michael	Disaster Opns Spcl	OFCA	24,000	03/15/87	AD-11/01	27,127				

MANAGER TO MANAGER

AD Personnel — Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Hooker, Evelyn	Sup Program Ana	PM/RP	52,166	09/01/85	AD-15/03	55,746				
							AD-15/04	57,488	Step Increase	08/31/86
							AD-15/04	59,212	Pay Adjust	01/04/87
Hubbard, Thomas	Supv Mail & Motor Pool Assistant	ES	19,871	06/12/83	AD-09/04	22,281				
							AD-09/05	23,874		
							AD-09/05	24,712	Comparability	01/06/85
							AD-09/06	25,439	Step Increase	09/14/86
							AD-09/06	26,203	Pay Adjust	01/04/87
Irving Ellen	Writer Editor	XA	24,000	03/22/87	AD-13/01	38,727				
Jackson, Curtis	Dir/Ofc Tech Rev & Info	S&T	79,594	12/28/86	AD-15/10	67,940				
							AD-15/10	69,976	Pay Adjust	01/04/87
Jones, Carole	Pers Staffing Spec	M/PM/FSP	20,746	01/20/87	AD-12/01	32,567				
Kaiser, Joyce	Part Trng Off	ST/IT	66,282	04/07/85	AD-15/10	67,940				
							AD-15/10	69,976	Pay Adjust	01/04/87
Kelly, Brigid	Pers Staffing Spcl	M/PM	22,000	04/08/84	AD-12/01	30,549				
							AD-12/01	31,619	Comparability	01/06/85
							AD-12/02	32,673	Step Increase	04/14/85
							AD-12/03	33,727	Step Increase	04/13/86
							AD-12/03	34,739	Pay Adjust	01/04/87
Kido, May	Adm Officer	OFDA	26,850	05/26/81	AD-13/01	32,048				
							AD-13	37,837	Merit Pay Inc	10/03/82
							AD-13	40,730	Merit Pay Inc	10/02/83
							AD-13/05	41,171	Pay Adjustment	10/14/84
							AD-13/05	42,611	Comparability	01/06/85
							AD-13/06	43,864	Step Increase	10/12/86
							AD-13/06	45,182	Pay Adjust	01/04/87
Knight, Timothy	Disaster Op Off	OFDA		06/23/85 (conversion)	AD-15/01	52,262				
							AD-15/03	55,746	Pay Adjust	05/25/86
							AD-15/03	57,418	Pay Adjust	01/04/87

HANAGER TO MANAGER

AD Personnel -- Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Kull, Barton	Writer Editor	XA	41,277	10/31/83	AD-14/02	41,277	AD-14/02	44,359		
							AD-14/03	45,790	Step Increase	07/08/84
							AD-15/01	50,495	Promotion	11/25/84
							AD-15/01	52,262	Comparability	01/06/85
							AD-15/02	54,004	Step Increase	11/24/85
							AD-15/03	55,746	Step Increase	11/23/86
							AD-15/03	57,418	Pay Adjust	01/04/87
Loth, Richard	Gen Bus Spc	PRE	66,000	07/06/86	AD-15/09	66,198				
							AD-15/09	68,182	Pay Adjust	01/04/87
McDevitt, Herbert	Housing Guaranty Spec	PRE/H	AD-14/06	11/24/85	AD-14/06	51,835				
							AD-14/06	53,388	Pay Adjust	01/04/87
McIntosh, Rhodina	Supv. Program Analyst	FVA	200 per day	03/29/83	AD-14	41,277	AD-14	43,848	Merit Pay Inc	10/02/83
							AD-15	50,495	Promotion	08/05/84
							AD-15/02	52,178	Pay Adjust	10/14/84
							AD-15/02	54,004	Comparability	01/06/85
							AD-15/03	55,746	Step Increase	10/13/85
							AD-15/04	57,488	Step Increase	10/12/86
							AD-15/04	59,212	Pay Adjust	01/04/87
McMaster, Margaret	Program Ops Asst	M/PM/COMP	18,700	01/18/87	AD-08/01	20,333				
Musheloff, Russell	International Coop. Specialist	NC	53,661	02/06/83	AD-15	56,880	AD-15	57,927	Merit Pay Inc	10/02/83
							AD-15	59,954	Pay Adjustment	01/08/84
							AD-15	60,244	Pay Adjustment	01/08/84
							AD-15/08	62,276	Pay Adjustment	10/14/84
	Detail to State HTE 3/8/87						AD-15/08	64,456	Comparability	01/06/85
							AD-15/08	66,388	Pay Adjust	01/04/87
							AD-15/08	66,388	Detail To State	03/08/87
Morison, Ian G.	Forester	M/PM/COMP ST	55,602	06/03/84	AD-15/05	57,227	AD-15/05	59,230	Comparability	01/06/85
							AD-15/06	60,972	Step Increase	06/08/86
							AD-15/06	62,800	Pay Adjust	01/04/87

MANAGER TO MANAGER

AD Personnel -- Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Mulhern Mary T.	Special Assistant	PPC/WID	W.O.C.	10/14/86	AD-09/01	21,804				
							AD-09/01	22,458	Pay Adjust	01/04/87
Munson, Hartkon	Special Assistant	AA/AFR	120,000	11/07/82	AD-15/10	57,500	AD-15	63,115	Pay adjustment	12/18/82
							AD-15	65,640	Merit Pay Inc	10/02/83
							AD-15/10	65,642	Pay Adjust	10/14/84
							AD-15/10	67,940	Comparability	01/06/85
							AD-15/10	69,976	Pay Adjust	01/04/87
Murchie, Gordon	Special Assistant NTE 2/23/88	XA	250 per day	02/24/86	AD-15/01	52,262				
							AD-15/01	53,830	Pay Adjust	01/04/87
Muse, Philip J.	Administrative Aide	DS		05/24/81	AD-09/04	23,470	AD-09/05	23,874	Pay Adjust	08/19/84
							AD-09/05	24,712	Comparability	01/06/85
							AD-09/07	26,166	Pay Adjust	12/22/85
							AD-09/07	26,952	Pay Adjust	01/04/87
							AD-09/08	27,701	Pay Adjust	03/15/87
Neal, Richard A.	Fisheries Advisor	ST/AGR		03/24/85	AD-15/10	67,940				
							AD-15/10	69,976	Pay Adjust	01/04/87
Noriega, Roger F. A.	Writer Editor	XA	31,000	11/09/86	AD-12/05	35,835				
							AD-12/05	36,911	Pay Adjust	01/04/87
O'Gara, Chloe	Nutrition Advisor	ST/N	28,800	08/19/84	AD-13/01	36,327	AD-13/01	37,599	Comparability	01/06/85
							AD-13/02	38,852	Step Increase	08/18/85
							AD-13/03	40,105	Step Increase	08/17/86
							AD-13/03	41,309	Pay Adjust	01/04/87
O'Neill, Timothy J.	Dep Dir Leg Afrs	LEG	69,000	09/02/86	AD-15/10	67,940				
							AD-15/10	69,976	Pay Adjust	01/04/87
Outlaw, William H.	Writer-Editor	XA	29,000	12/9/85	AD-12/05	35,835				
							AD-12/07	37,943	Pay Adjust	08/17/86
							AD-12/07	39,083	Pay Adjust	01/04/87
							AD-13/04	42,600	Promotion	01/18/87

MANAGER TO MANAGER

AD Personnel — Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Pettit, Patricia	Adm Operations Spcl	ES	28,000	03/18/81	AD-11/10	29,236	AD-12/06	34,269	Promotion	06/13/82
							AD-12/07	36,657	Pay Adjust	12/11/83
							AD-12/07	37,943	Comparability	01/06/85
							AD-12/09	40,051	Pay Adjust	02/03/85
							AD-12/10	41,105	Pay Adjust	03/30/85
							AD-12/10	42,341	Pay Adjust	01/04/87
Pickard, Cynthia	Secretary Typing	XA		03/01/87	AD-06/01	16,521				
Posey, Tyler	Cong Liaison Off	LEG	50,000	08/18/85	AD-15/01	52,262				
							AD-15/02	54,004	Step Increase	08/17/86
							AD-15/03	55,746	Pay Adjust	11/23/86
							AD-15/03	57,418	Pay Adjust	01/04/87
Quandt, Anna S.	Soc Science Analyst	ST/POP	$150 p/day	07/29/84	AD-14/01	49,928	AD-14/01	44,430	Comparability	01/06/85
							AD-14/02	45,911	Step	08/04/85
		PPC					AD-14/02	45,911	Reassignment	08/18/85
							AD-14/03	47,392	Step Increase	08/03/86
							AD-14/03	48,813	Pay Adjust	01/04/87
Radloff, Scott R	Economist	S&T	15,372	02/13/83	AD-12/01	29,374	AD-12/02	31,567	Step Increase	02/19/84
							AD-12/02	32,673	Comparability	01/06/85
							AD-12/03	33,727	Step Increase	02/17/85
							AD-13/01	37,599	Promotion	06/09/85
							AD-13/02	38,852	Step Increase	06/08/86
							AD-13/02	40,018	Pay Adjust	01/04/87
Reed, Nancy	Confidential Assistant	AA/XA	36,000	12/27/83	AD-09/06	23,631	AD-09/06	24,460		
							AD-10/05	26,291	Promotion	04/15/84
							AD-10/07	28,811	Pay Adjust	01/06/85
		AA/LAC					AD-10/07	28,811	Reassignment	09/15/85
							AD-10/09	30,411	Pay Adjust	02/16/86
							AD-10/09	31,324	Pay Adjust	01/04/87
		XA					AD-10/09	31,324	Reassignment	03/15/87
Reynolds, Percival L.	Special Assistant	TDP	72,000	09/16/86	AD-15/10	67,940				
							AD-15/10	69,976	Pay Adjust	01/04/87
Rilling, Mark A.	Program Analyst	S&T	31,050	03/30/86	AD-12/03	33,727				
							AD-12/03	34,739	Pay Adjust	01/04/87

MANAGER TO MANAGER

AD Personnel -- Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	BOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Robinson, Rose	Participant Trng Offcr.	S&T	26,738	01/02/77	AD-14/01	28,725	AD-15	59,110		
							AD-15/07	60,593	Pay Adjust	10/14/84
							AD-15/07	62,714	Comparability	01/06/85
							AD-15/07	64,594	Pay Adjust	01/04/87
Robinson, Willis N.	Mail & Motor Asst	IS	19,513	09/14/86	AD-07/08	21,982				
							AD-07/08	22,642	Pay Adjust	01/04/87
Rosenberg, Alison	Dir,Pol Dev & Pro Rev	PPC	58,000	03/03/85	AD-15/06	60,972				
							AD-15/06	62,800	Pay Adjust	01/04/87
		M/PM/COMP					AD-15/06	62,800	Reassignment	02/15/87
							AD-15/07	64,594	Step Increase	03/01/87
Ryan, Mary Power	Program Analyst	PPC	33,000	07/10/83	AD-15/01	48,553	AD-15/01	50,495		
							AD-15/02	52,178	Step Increase	07/08/84
							AD-15/02	54,004	Comparability	01/06/85
							AD-15/03	55,746	Step	07/07/85
							AD-15/04	57,488	Step	07/06/86
							AD-15/04	59,212	Pay Adjust	01/04/87
Sabadell, Alberto	Physical Scientist	S&T	47,000	12/05/82	AD-14/07	49,553	AD-14/07	51,514		
							AD-14/07	53,316	Comparability	01/06/85
							AD-14/08	54,797	Step Increase	12/08/85
							AD-14/08	56,438	Pay Adjust	01/04/87
Schmidt, Marilynn	Population Advisor	S&T	30,108	10/31/82	AD-13/01	34,930	AD-13/01	34,930		
							AD-13/02	37,538	Step Increase	10/30/83
							AD-13/03	38,749	Step Increase	10/28/84
							AD-13/04	39,960	Quality Step Inc	11/25/84
							AD-13/04	41,358	Comparability	01/06/85
							AD-14/01	44,430	Promotion	03/03/85
							AD-14/03	47,392	Pay Adjust	03/02/86
							AD-14/03	48,813	Pay Adjust	01/04/87
							AD-14/04	50,338	Step Increase	03/01/87

MANAGER TO MANAGER

AD Personnel — Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Schuler, Sidney	Social Science Ana	ST/POP	200 per day	11/24/85	AD-13/01	37,599				
							AD-13/02	38,852	Step Increase	11/23/86
							AD-13/02	40,018	Pay Adjust	01/04/87
Seawright, Patricia	Special Assistant	A/AID		03/01/87	AD-15/01	53,830				
Tally, Mae Sue	Special Assistant	AA/LAC	260 per day	10/14/86	AD-15/06	60,972				
							AD-15/06	62,800	Pay Adjust	01/04/87
Theisen, Gary L.	International Educ. Spec.	ST/ED	30,000	08/19/84	AD-13/01	36,327	AD-13/01	37,599	Comparability	01/06/85
							AD-13/02	38,852	Step Increase	08/18/85
							AD-13/03	40,105	Step Increase	08/17/86
							AD-14/01	44430	Promotion	11/23/86
							AD-14/01	45,763	Pay Adjust	01/04/87
Thiebeault, Robert	Gen'l Bus Spec Special Asst	SDB OPDA		10/15/85	AD-15/03	55,746				
									Reassignment	04/13/86
							AD-15/04	57,488	Step Increase	10/26/86
							AD-15/05	59,230	Pay Adjust	12/21/86
							AD-15/05	61,006	Pay Adjust	01/04/87
Townsend, Marcia	Social Sci Analyst	S&T	44,367	02/26/84	AD-14/06	50,083	AD-14/06	51,835	Comparability	01/06/85
							AD-14/07	53,316	Pay Adjust	11/24/85
							AD-14/07	54,913	Pay Adjust	01/04/87
Tropp, Richard A.	Special Assistant	A/AID	66,400	11/12/84	AD-17/03	66,400	AD-17/03	68,700	Comparability	01/06/85
							AD-17/04	68,700	Step	09/29/85
							AD-17/04	70,800	Pay Adjust	01/04/87
							AD-17/04	72,500	Pay Adjust	02/15/87
Trussell, Galen	Special Assistant	AA/PRE	48,000	10/05/81	AD-15/02	48,241	AD-15/04	53,407	Pay Adjustment	11/08/81
							AD-15/05	57,227	Step Increase	11/13/83
							AD-15/05	59,230	Comparability	01/06/85
							AD-15/06	60,972	Step	11/08/85
							AD-15/06	62,800	Pay Adjust	01/04/87
Vollan, Clayton J.	Tech Info Spec	S&T	70,000	12/01/86	AD-14/10	57,759				
							AD-14/10	59,488	Pay Adjust	01/04/87

MANAGER TO MANAGER

AD Personnel — Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Watkins, Birge	Special Assistant	PRE/TF	18,000 plus commission	04/13/82	AD-13/04	36,946	AD-13/04	39,767		
							AD-13/05	40,972	Step Increase	04/15/84
							AD-14/02	44,359	Promotion	05/13/84
							AD-14/02	45,911	Comparability	01/06/85
		ST/IT					AD-14/02	45,911	Reassignment	03/03/85
							AD-14/03	47,392	Step Increase	05/21/85
							AD-14/04	48,873	Step Increase	05/25/86
							AD-14/04	50,338	Pay Adjust	01/04/87
Wegner, Herbert	Special Assistant	FVA PRE	100,000	01/09/83	AD-15	63,115	AD-15	65,640	Merit Pay Inc	10/02/83
							AD-15/10	65,642	Pay Adjust	10/14/84
							AD-15/10	67,940	Comparability	01/06/85
							AD-15/10	69,976	Pay Adjust	01/04/87
Weinstein, Warren	Sup Proj Dev Off	AA/PPC	62,189	11/09/86	AD-15/07	62,714				
							AD-15/07	64,594	Pay Adjust	01/04/87
							AD-15/09	68,182	Pay Adjust	03/01/87
Whitaker, Lindsay	Adm Ops Asst	XA/IASP		06/08/86	AD-07/01	17,824				
							AD-07/01	18,358	Pay Adjust	01/04/87
Whitaker, Richard	Program Analyst	AFR		06/10/85	AD-12/05	35,835				
							AD-13/02	38,852	Promotion	07/06/86
							AD-13/02	40,018	Pay Adjust	01/04/87
Wilkinson, John	Special Assistant	A/AID	50,495	07/22/84	AD-15/02	52,178	AD-15/02	54,004	Comparability	01/06/85
							AD-15/04	57,488	Pay Adjust	07/07/85
							AD-15/06	60,972	Pay Adjust	11/23/86
							AD-15/06	62,800	Pay Adjust	01/04/87

MANAGER TO MANAGER

AD Personnel — Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Willens, Lily	Int'l Coop Spcl	AFR	23,500	08/16/81	AD-13/01	32,048	AD-13/03	35,826	Pay Adjust	07/25/82
							AD-13	38,120	Merit Pay Inc	10/03/82
							AD-13	40,408	Merit Pay Inc	10/02/83
							AD-13/05	41,171	Pay Adjust	10/14/84
							AD-13/05	42,611	Comparability	01/06/85
							AD-14/03	47,392	Promotion	03/31/85
							AD-14/04	48,873	Pay Adjust	03/30/86
	Special Asst	AA/AFR					AD-14/04	48,873	Reassignment	06/01/86
							AD-14/04	50,388	Pay Adjust	01/04/87
Williamson, Randy	Director, ST/RUR	ST/RUR		03/17/05	AD-15/09	66,198				
							AD-15/09	68,182	Pay Adjust	01/04/87
Wise, Edmond	Special Assistant	DA/AID	95,000	07/13/86	AD-15/10	67,940				
							AD-15/10	69,976	Pay Adjust	01/04/87
Wolfe, Joan	Part Trng Officer	ST/IT	GS-14/02	06/02/85	AD-14/04	48,873				
							AD-14/04	50,338	Pay Adjust	01/04/87
							AD-15/01	53,830	Promotion	01/04/87
Wolicki, Nancy	Program Opns Spcl	FVA	144 per day	03/01/87	AD-12/10	42,341				
Young, Margaret	Clerk Typing	XA/PR	6.00 ph	11/17/85	AD-05/02	14,870				
							AD-05/04	15,830	Pay Adjust	05/25/86
	Special Assistant						AD-07/01	17,824	Promotion	10/12/86
							AD-07/01	18,358	Pay Adjust	01/04/87
Zank, Neal S.	Inst Plcy Spec	PPC/PDPR	41,000	07/22/84	AD-14	45,790	AD-14/04	47,221	Pay Adjust	10/14/84
							AD-14/04	48,873	Comparability	01/06/85
							AD-14/05	50,354	Step Increase	10/12/86
							AD-14/05	51,863	Pay Adjust	01/04/87
Zeleke, Mary Rita	Per Staffing Spec	PM/CSP	38,853	09/01/85	AD-14/01	44,430				
							AD-14/02	45,911	Step Increase	08/31/86
							AD-14/02	47,288	Pay Adjust	01/04/87
	Per Mangmt Spec	PM/PCF/PH					AD-14/02	47,288	Reassignment	03/15/87

TOTAL: 101

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Schedule C Personnel — Appointments and Promotion

March 31, 1987

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Allen, Mary B.	Special Assistant	AA/ASIA	18,585	06/21/81	AD-11/01	22,486	AD-11/02	25,325	Step Increase	06/27/82
							AD-12/03	32,585	Promotion	06/26/83
							AD-12/04	33,603	Step Increase	06/24/84
							AD-13/01	36,327	Promotion	11/11/84
							GS-13/01	36,327	Appt Change	12/31/84
							GS-13/01	37,599	Comparability	01/06/85
							GS-13/02	38,852	Step	11/10/85
		AA/LAC					GS-13/02	38,852	Reassignment	07/20/86
							GS-13/03	40105	Step Increase	11/09/86
							GS-13/03	41,309	Pay Adjust	01/04/87
Anthony, William A.	Special Assistant	XA	44,000	06/22/86	AD-15/01	52,262				
							GS-15/01	52,262	Appt Change	07/27/86
							GS-15/01	53,830	Pay Adjust	01/04/87
Armstrong, Lisa B.	Adm Ops Asst	PM/COMP		02/16/86	AD-07-01	17,824	GS-07/01	17,824	Appt Change	03/02/86
							GS-07/01	18,358	Pay Adjust	01/04/87
							GS-07/02	18,970	Step Increase	02/15/87
Baker, Douglas B.	Special Assistant	PPC	$5.00 P.H.	09/28/86	AD-06/01	16,040				
							AD-06/01	16,521	Pay Adjust	01/04/87
							GS-06/01	16,521	Appt Change	01/25/87
Barbieri, Janice	Special Assistant	PM/COMP	44,146	05/06/84	AD-14/02	44,359	AD-14/03	45,790	Step Increase	12/23/84
							AD-14/03	47,392	Comparability	01/06/85
							GS-14/03	47,392	Appt Change	02/03/85
							GS-14/04	48,873	Step Increase	12/22/85
							GS-14/04	50,338	Pay Adjust	01/04/87
Coughlin, Catherine	Program Opns Spec Cong Lia Offcr	FVA/PVC LEG	32,000	04/07/85	AD-12/01	31,619	AD-12/02	32,673	Pay Adjust	04/13/86
							GS-12/02	32,673	Appt Change	08/24/86
							GS-13/01	37,599	Promotion	09/28/86
							GS-13/01	30,727	Pay Adjust	01/04/87

MANAGER TO MANAGER

Schedule C Personnel -- Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
English, Mary M.	Deputy Assistant to the Administrator for Public Affairs	PM/COMP	22,486	03/14/82	AD-14/01	39,689	GM-14	42,887	Merit Pay Inc	10/03/82
							GM-15	48,553	Promotion	03/14/83
							GM-15	51,337	Merit Pay Inc	10/02/83
							GS-15/03	53,861	Pay Adjust	10/14/84
							GS-15/03	55,746	Comparability	01/06/85
							GS-15/04	57,488	Step Increase	10/13/85
							GS-15/04	59,212	Pay Adjust	01/04/87
Esposito, Joseph	Special Assistant	ANE	39,689	07/25/82	AD-15/01	46,685	GM-15	49,187	Merit Pay Inc	10/03/82
							GM-15	52,824	Merit Pay Inc	10/02/83
							GS-15/04	55,544	Pay Adjust	10/14/84
							GS-15/04	57,488	Comparability	01/06/85
							GS-15/05	59,230	Step Increase	10/12/86
							GS-15/05	61,006	Pay Adjust	01/04/87
Forman, Lori	Special Assistant	FVA	38,880	06/26/83	AD-13/07	41,914	GM-13	44,027	Merit Pay Inc.	10/02/83
							GS-14/05	48,652	Promotion	10/28/84
							GS-14/05	50,354	Comparability	01/06/85
							GS-15/02	54,004	Promotion	12/22/85
							GS-15/03	55,746	Step Increase	12/21/86
							GS-15/03	57,418	Pay Adjust	01/04/87
Grossman, Sheryl	Special Assistant	FVA	27,000	07/31/83	AD-12/01	29,374	GS-13/01	36,327	Promotion	07/29/84
							GS-13/01	37,599	Comparability	01/06/85
							GS-13/02	38,852	Step	08/04/85
							GS-13/03	$40,105	Step	08/03/86
							GS-13/03	41,309	Pay Adjust	01/04/87
Higgins, George	Special Assistant	XA	59,795	09/13/81	GS-15/01	44,547	GS-15/02	50,171	Step Increase	09/19/82
							GS-15/03	53,861	Step Increase	09/18/83
							GS-15/04	55,544	Step Increase	09/16/84
		AA/M					GS-15/04	57,488	Comparability	01/06/85
							GS-15/04	57,488	Reassignment	11/17/85
							GS-15/05	59,230	Step Increase	09/14/86
							GS-15/05	61,006	Pay Adjust	01/04/87

MANAGER TO MANAGER

Schedule C Personnel — Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Horel, Martha Travis	Social Science Ana	PPC/PDPR		10/15/85	AD-15/01	52,262				
									Termination	06/04/86
							GS-15/01	52,262	Appointment	06/09/86
							GS-15/02	55,624	Pay Adjust	01/04/87
Kishaba, Aileen M.	Special Asst	AA/PRE		06/30/86	GS-15/01	52,262				
							GS-15/01	53,830	Pay Adjust	01/04/87
Long, Nancy E.	Writer Editor	XA	16,000	03/30/86	AD-09/01	21,804				
							GS-09/01	21,804	Appt Change	07/06/86
							GS-09/01	22,458	Pay Adjust	01/04/87
Mengebier, Holly D.	Admin Opns Asst (Stny)	LEG/OD	12,000	07/31/84	AD-06/01	15,497	AD-06/01	16,040	Comparability	01/06/85
	Public Affairs Spec	XA					AD-07/01	17,824	Promotion	05/26/85
							GS-07/01	17,824	Conversion	08/18/85
							AD-08/01	19,740	Conv/Promotion	02/02/86
	Special Asst	XA					AD-10/01	24,011	Promotion	08/03/86
							GS-10/01	24,011	Appt Change	08/31/86
							GS-10/01	24,732	Pay Adjust	01/04/87
Mooney, Andrea	Special Assistant	FVA/PVC	19,740	05/11/86	GS-10/01	24,011				
							GS-10/01	24,732	Pay Adjust	01/04/87
Neideffer, Carol	Confidential Asst	A/AID	GS-11/02	12/15/85	AD-11/02	27,260				
							GS-11/02	27,260	Appt Change	07/20/86
							GS-11/03	28,139	Step Increase	12/21/86
							GS-11/03	28,984	Pay Adjust	01/04/87
Parner, Jake	Program Op Spec	FVA/PVC		07/01/85	AD-09/04	23,985				
							AD-11/01	26,381	Promotion	05/25/86
							GS-11/01	26,381	Appt Change	08/03/86
							GS-11/01	27,172	Pay Adjust	01/04/87
Powell, R. Ben	Program Ops Asst	FVA/PVC		04/21/86	GS-08/01	19,740				
							GS-08/01	20,333	Pay Adjust	01/04/87
							GS-10/01	24,732	Promotion	03/01/87

MANAGER TO MANAGER

Schedule C Personnel — Appointments and Promotion

NAME	TITLE	OFFICE	HIGHEST PREVIOUS RATE	EOD DATE	APPOINTMENT GRADE/SALARY		CURRENT SALARY		EXPLANATION OF CHANGE AND DATE	
Smith, Dee Ann	Associate Director	LEG	20,497	05/31/81	AD-12/01	26,951	AD-13/01	33,586	Promotion	04/18/82
							GM-14	41,277	Promotion	10/17/82
							GM-15	50,495	Promotion	10/17/83
							GS-15/02	52,178	Pay Adjust	10/14/84
							GS-15/02	54,004	Comparability	01/06/85
							GS-15/03	55,746	Step	10/13/85
							GS-15/03	55,746	Termination	07/18/85
	Special Assistant	A/AID	55,746				GS-15/03	55,746	Appointment	07/23/86
							GS-15/04	57,488	Step Increase	10/26/87
							GS-15/04	59,212	Pay Adjust	01/04/87
Steuart, Cynthia J.	Public Affairs Spec.	XA	31,332	09/04/83	AD-12/03	31,332	AD-12/03	32,428		
							AD-12/04	33,603	Step Increase	04/15/84
							AD-13/04	39,960	Promotion	09/16/84
							GS-13/04	39,960	Appt Change	12/30/84
							GS-13/04	41,358	Comparability	01/06/85
							GS-13/05	42,611	Step Increase	09/14/86
							GS-14/02	47,288	Pay Adjust	01/04/87
VanHare, Thomas	Special Assistant	FVA/PVC	15,600	05/27/86	GS-11/01	26,381				
							GS-11/01	27,172	Pay Adjust	01/04/87
Volk, Laurie	Special Assistant	AA/LAC	64,000	11/29/85	AD-15/09	66,198				
							GS-15/09	66,198	Conv to Exc Appt	05/25/86
							GS-15/09	68,182	Pay Adjust	01/04/87
Weiss, Delores	Sup Pub Aff Spec	XA	21,000	12/18/83	AD-11/01	25,489	AD-12/02	31,567	Promotion	07/15/84
							GS-12/02	31,567	Appt Change	08/26/84
							GS-12/03	33,722	Quality Increase	01/06/85
							GS-12/04	34,781	Step Increase	07/21/85
							AD-13/01	37,599	Conversion/Prom	09/01/85
							GS-13/01	37,599	Conversion	12/29/85
							GM-14-00	44,430	Promotion	08/17/86
							GM-14-00	45,763	Pay Adjust	01/04/87
Wilson, Katherine M.	Special Asst	AA/PRE		06/15/86	GS-13/01	37,599				
							GS-13/01	38,727	Pay Adjust	01/04/87

TOTAL: 25

A.I.D. SENIOR EXECUTIVE SERVICE March 31, 1987

POSITION UTILIZATION (career members)

NAME	"F" DESIGNATED	TITLE		PAY RATE	APPOINTMENT	COMMENTS
ASHLEY IVAN R		EO OFFICER	EOP/OD	4	CAREER	Detail EEOC NTE 9/30/87(RESERVED)
CHRISTENSEN CURTIS W		FINANCIAL MANAGER	M/FM/CONT	5	CAREER	(RESERVED)
DUDIK-GAYOSO JOAN B		DIR OFC DONOR COORDN	PPC/DC	3	CAREER	
DURNIL JAMES D		DEP IG/ASST INSP GEN/AUDG	IG	4	CAREER	(RESERVED)
FORMAN MARTIN J		DIR OFC NUTRITION	ST/N	4	CAREER	
GILLESPIE DUFF G		DEP DIR OFC POP	ST/POP	4	CAREER	EPAP approved for Director, S&T/POP
HARTMAN LOIS E		DEP DIR OFC PER MGT	M/PM/OD	4	CAREER	(RESERVED)
HOWARD LEE M		DIR OFC HEALTH	ST/HP	4	CAREER	To retire: 6/30/87
KAMMERER KELLY C		DIR OFC LEG AFRS	LEG/OD	6	CAREER	
KIMM PETER M		DAA/HSNG/URBAN PGMS	AA/PRE	5	CAREER	
LANGMAID BRADSHAW JR	F	DAA RESEARCH	SAA/S&T	5	CAREER	

A.I.D. SENIOR EXECUTIVE SERVICE March 31, 1987

POSITION UTILIZATION (career members)

NAME	"F" DESIGNATED	TITLE		PAY RATE	APPOINTMENT	COMMENTS
ASHLEY IVAN R		EO OFFICER	EOP/OD	4	CAREER	Detail EEOC NTE 9/30/87(RESERVED)
CHRISTENSEN CURTIS W		FINANCIAL MANAGER	M/FM/CONT	5	CAREER	(RESERVED)
DUDIK-GAYOSO JOAN B		DIR OFC DONOR COORDN	PPC/DC	3	CAREER	
DURNIL JAMES B		DEP IG/ASST INSP GEN/AUDG	IG	4	CAREER	(RESERVED)
FORMAN MARTIN J		DIR OFC NUTRITION	ST/N	4	CAREER	
GILLESPIE DUFF G		DEP DIR OFC POP	ST/POP	4	CAREER	EPAP approved for Director, S&T/POP
HARTMAN LOIS B		DEP DIR OFC PER MGT	M/PM/OD	4	CAREER	(RESERVED)
HOWARD LEE M		DIR OFC HEALTH	ST/HP	4	CAREER	To retire: 6/30/87
KANMERER KELLY C		DIR OFC LEG AFRS	LEG/OD	6	CAREER	
KIMM PETER M		DAA/HSNG/URBAN PGMS	AA/PRE	5	CAREER	
LANGMAID BRADSHAW JR	F	DAA RESEARCH	SAA/S&T	5	CAREER	

A.I.D. SENIOR EXECUTIVE SERVICE

POSITION UTILIZATION (career members, continued)

NAME	"P" DESIGNATED	TITLE		PAY RATE	APPOINTMENT	COMMENTS
MCKEEL W WAYNE		DEPUTY CONTROLLER	M/FM/CONT	4	CAREER	(RESERVED)
MCMAKIN CHARLES D		DIR OFC MGT OPNS	M/SER/MO	4	CAREER	(RESERVED)
MONCADA FRANCIS J		DD PROGRAM OPNS	M/SER/AAM	4	CAREER	(RESERVED)
MULLEN JOHN E		DEP GENERAL COUNSEL	GC	5	CAREER	(RESERVED)
OWENS JOHN F		ASC ASST TO ADMR MGT	M/AAA/SER	5	CAREER	(RESERVED)
PAGANO GERALD A.		EXEC SECRETARY	COMP/CS/DS	4	CAREER (IPA Expires: 8/28/87 cannot be extended further)	
RICHARDSON GENE		ASST INSP GEN INVGS	IG/II	4	CAREER	(RESERVED)
ROLLIS H T JR		ASST TO ADMR MGT	AA/M	6	CAREER	(RESERVED)
SPISHAK PAUL P		DIR OFC INF RSRS MGT	M/SER/IRM	4	CAREER	(RESERVED)
SPRAGUE DAVID H	F	DIR OFC EDUCATION	ST/ED	4	CAREER	
SULLIVAN JOHN D		DIRECTOR OFC PERR	ST/PDR	4	CAREER	
VANDERRYN JACK		AGCY DIR EMP/MT RSRS	ST/EN	5	CAREER	
WOLF DONA		DIR OFC INTL TRG	ST/IT	4	CAREER	

A.I.D. SENIOR EXECUTIVE SERVICE

POSITION UTILIZATION
(recent career appointments serving one year probation)

NAME	"F" DESIGNATED	TITLE	PAY RATE		APPOINTMENT	COMMENTS
FRIES KENNETH E		ASST GC FOR CON & COMM MGMT	GC	3	CAREER PROB W/RGT	(Probation thru: 9/27/87)
PERKINS ROBERT S		COUNSEL TO THE IG	IG	5	CAREER PROB W/RGT	(Probation thru: 4/12/87)
FLANNERY CORBETT M.		ASST IG FOR SECURITY	IG	2	CAREER PROB WO/RGT	(Probation thru: 1/31/88)
SULLIVAN JAMES L.		DIRECTOR, OFC OF ENERGY	S&T	4	CAREER PROB WO/RGT	(Probation thru: 3/28/88)

A.I.D. SENIOR EXECUTIVE SERVICE

POSITION UTILIZATION
(limited term appointments and former SES with reemployment rights)

NAME	"F" DESIGNATED	TITLE		PAY RATE	APPOINTMENT	COMMENTS
DIAMOND DENNIS		EO OFFICER	EOP/OD	1 (2 on 4/26/87)	LTD TERM	position expires: 4/12/89
SIMKINS CHARLES		Former Career SES (Now SFS - untenured)				reemployment rights thru: 1/87

A.I.D. SENIOR EXECUTIVE SERVICE

POSITION UTILIZATION
(Noncareer appointments)

NAME	"F" DESIGNATED	TITLE		PAY RATE	APPOINTMENT	COMMENTS
BECKINGTON HERBERT L		INSPECTOR GENERAL	IG	5	NON-CAREER	
DAVIES PATRICIA KAY		DIR WOMEN IN DVL	PPC/WID	1	NON-CAREER	
FRY HOWARD M		GENERAL COUNSEL	GC	6	NON-CAREER	
HULLANDER EDWIN LEE		DIR STRAT STUDIES	AA/PPC	6	NON-CAREER	
MCKAY THOMAS A	F	PROGRAM MANAGER	FVA/PVC	6	NON-CAREER	
TAFT JULIA VADALA		COORD FGN DSTR RLF	OFDA/OD	6	NON-CAREER	

SUMMARY DATA

SES Allocation: 52 positions (FY 86/87 allocation reduced from 57)
Noncareer ceiling: 6 (Filling a noncareer SES position requires advance approval from U.S. OPM)

Career Reserved Minimum: 15 positions

Changes since 12/31/86: Addition of James Sullivan and Corbett Flannery
Pay level adjustment to ES-2 on 4/26/87 for:
-Dennis Diamond
Resignation of Cathryne Bennett

SES Positions filled by SES Members:

28	career
6	noncareer
1	limited term
35	Total

1987

BRIEFING PAPER

OFFICE OF FINANCIAL MANAGEMENT (M/FM)

OVERVIEW

I. THE ORGANIZATION OF M/FM

II. ORGANIZATION FUNCTIONS BY DIVISION

III. MAJOR ISSUES CONFRONTING M/FM

- A. Operating Expenses
- B. "Accountability" of Foreign Assistance Funds

IV. OTHER ONGOING ACTIVITIES

- A. Systems Initiatives
- B. Internal Control

ANNEX I: ADDITIONAL DETAILS ON A.I.D. OPERATING EXPENSES

ANNEX II: ADDITIONAL DETAILS ON A.I.D.'s WORKFORCE

OVERVIEW

The purpose of this paper is to provide a brief outline of the organization and major functional responsibilities of the Office of Financial Management. It also discusses two issues that may deserve attention in the coming weeks -- the uncertainty surrounding our FY 1988 Operating Expense request, and the growing Congressional concern over our perceived lack of accountability for foreign assistance dollars.

I. THE ORGANIZATION OF M/FM

The A.I.D. Controller reports to the Assistant to the Administrator for Management (AA/M), supervises the Office of Financial Management (FM) and its workforce of 150 and monitors the performance of approximately 120 Foreign Service Controller personnel overseas. Three Deputy Controllers and an Executive Officer assist the Controller in policy formulation, coordination, and management of the financial functions of the agency.

The broad functions of the Controller may be conceptualized as; 1) budget and workforce, 2) the centralized A.I.D./W accounting operations, 3) professional development of personnel and 4) support of overseas operations. Items 1) and 2) are presented by organizational structure below. The unique functions of personnel development and overseas support merit special note.

Under A.I.D.'s decentralized management style, overseas Controllers exercise a high degree of independence. USAID Controllers manage their operations with a minimum of oversight from A.I.D./W. Mission Controllers report to and are evaluated by Mission Directors, but they are responsible to the Agency Controller for all of the financial management activities of their USAID. The Agency Controller/USAID Controller relationship is referred to as a "dotted line."

USAID Controllers are nourished and monitored through periodic overseas conferences, triannual on-site assessments, frequent telephone interchange and advice, TDY visits by senior A.I.D./W managers, discussions with both Controller personnel and Mission Directors during TDYs in conjunction with home leaves and visitations and review of USAID Controller accounting, budget and internal control reports. Senior FM staff are familiar with overseas Controller operations and stay abreast of their performance.

Through the Executive Office function, FM takes the lead in placement of Controller personnel and selecting individuals to move up to the position of USAID Controller. Professional development courses round out the monitoring/nurturing role of FM's senior managers in assuring the continuation of a professional cadre of competent overseas Controllers.

II. ORGANIZATION FUNCTIONS BY DIVISION

BUDGET DIVISION

Plans, develops and maintains systems and procedures for determination of A.I.D.'s Operating Expense requirements.

Provides backup at Congressional Budget Hearings for Operating Expense and provides background assistance on the program budget.

Determines A.I.D. workforce requirements, prepares submissions to the Office of Management and Budget (OMB) and the Congress, and manages the personnel ceilings given A.I.D.

Provides advice and assistance to various "client" organizations (USAIDs, Bureaus, etc.) in the preparation of the Operating Expense and Workforce Budgets.

ACCOUNTING SYSTEMS DIVISION

Designs, develops, implements and maintains automated and manual accounting systems to track the A.I.D. budget and to meet various legislative and executive requirements.

Negotiates approvals of all financial systems with the other federal agencies legislated the responsibility to do so.

Coordinates financial management, cash management, policies and guidance procedures.

CENTRAL ACCOUNTING DIVISION

Controls appropriated funds from OMB apportionments and Treasury warrants through allotments to selected offices.

Monitors accounting reports by A.I.D./W and overseas accounting stations.

Maintains the general ledger of the agency.

Consolidates all official financial statements of the agency.

LOAN MANAGEMENT DIVISION

Provides accounting control over and services the agency's $20 billion loan portfolio.

Prepares a series of accounting reports covering the agency's loan program.

Monitors compliance with legislation covering the agency's loan program.

Provides accounting control, reports and financial assistance for the Housing Guaranty Program, its revolving fund, and the Private Enterprise revolving fund.

PROGRAM ACCOUNTING AND FINANCE DIVISION

Provides accounting control and service for A.I.D./W program funds and non-project assistance.

Processes payments for contracts and governmental agreements.

Issues and manages the Treasury Letter of Credit system.

Issues Bank letters of commitment/letters of credit for all agency programs.

WASHINGTON ACCOUNTING OPERATIONS DIVISION

Provides accounting control and service for A.I.D./W operating expense funds.

Processes payments for A.I.D./W operating expense funds.

Maintains payroll system.

Processes payments for all travel vouchers submitted to A.I.D./W.

III. MAJOR ISSUES CONFRONTING M/FM

Two issues falling under the responsibilities of M/FM may require attention in the short-term: the uncertainty surrounding A.I.D.'s FY 1988 Operating Expense appropriations and efforts by Congress to require greater "accountability", i.e., end-use monitoring, of A.I.D. dollars and local currency programmed overseas. Both issues could affect the way A.I.D. conducts its business in the future.

A. Operating Expenses

For every agency in the Function 150 (International Affairs) budget category, 1988 and 1989 are shaping up to be disappointing if not disastrous years from the budget standpoint. We are hopeful, however, that through wise management of agency resources and the continued authority to use program funds to pay for certain O.E. costs, we can avoid adverse personnel actions such as Reductions in Force (RIFs) and furloughs.

A brief summary of the 1986 and 1987 action on A.I.D.'s O.E. is necessary to understand where we are with respect to 1988. The following table shows the major funding elements of the O.E. account ($ in millions):

	1986 Actual	1987 Estimate	1988 Request	Increase '86-'87	Increase '87-'88
Appropriation	361.6	340.6	400.4		
Program Funded local support	16.2	38.6	-		
Subtotal	377.8	379.2	400.4	+ 1.4	+ 21.2
Plus: Pay/FERS	-	9.8	26.4	+ 9.8	+ 16.6
TOTAL	377.8	389.0	426.8	+ 11.2	+ 37.8

For the first time since 1976, when the separate O.E. appropriation was created, Congress in 1986 allowed A.I.D. to "charge" certain overseas costs to program funds, in an amount equal to the amount sequestered from O.E. under Gramm-Rudman-Hollings ($16.2 million).

In 1987, Congress appropriated an artificially low amount for O.E. as a way to make room for other programs within the tight budget resolution totals, but once again allowed A.I.D. to charge the program accounts for overseas costs as long as total O.E. did not exceed $380 million or roughly a straight-lining of the 1986 level. Congress put A.I.D. on notice that 1987 would be the last year that the agency would be allowed to use program funds to pay O.E. costs. The only action on our $9.8 million pay/retirement supplemental request for 1987 has been on the House side - Obey's markup includes $7.6 million. Because our hiring has been slower than anticipated in 1987, we are currently running a surplus of several million dollars that can be used to offset this difference or to forward-fund certain 1988 requirements.

Our 1988 request of $426.8 million, an increase of $37.8 million over the 1987 enacted level plus supplementals, assumes full-funding of operating expenses from this account. The following table bridges between the 1987 level and the 1988 requested level by major elements of increase. $16.6 million of the $37.8 million increase is attributable solely to the mandatory costs associated with the 1987 pay raise and the new Federal Employee Retirement System (FERS).

A.I.D. OPERATING EXPENSE INCREASES - FY 1988
($ in millions)

1987 Appropriation			$ 340.6
Program funded local support costs			38.6
Subtotal			379.2
Proposed supplementals for pay raise and FERS			9.8
TOTAL 1987 REQUIREMENTS			389.0
1988 INCREASES:			
Salaries and Benefits (primarily FERS and pay raise)		18.8	
Overseas Inflation		9.1	
AID/W:			
Increased GSA Rents	2.5		
Increased Training	1.0		
Data Processing Enhancements	2.0		
Other	1.4	6.9	
636(c) Overseas Property Program		2.0	
Transfer to other agencies		1.0	
TOTAL INCREASE			$ 37.8
1988 REQUEST			$ 426.8

The House and Senate authorizing committees have completed their 1988 markups and both committees (1) kept budget authority at the 1987 enacted level of $340.6 million; (2) allow the agency to use program funds to reach a level of $380 million; and (3) allow A.I.D. to use program funds to pay the mandatory costs of FERS (but not the $6.2 million associated with the January 1987 pay raise), estimated to be $20.3 million in 1988. Since pay and retirement would eat up $26.8 million of the $400 million, the 1988 level is actually a reduction of $13.6 million from our expected 1987 level, which itself is a straight-line of 1986. Under these circumstances, 1988 would be a very tight year, and severe steps would have to be taken in order to avoid furloughs or a RIF.

On the appropriation side, we assume the committees feel somewhat relieved that the authorizing committees have allowed the use of program funds to offset O.E. costs, notwithstanding their warnings of last year. The appropriators will be under intense pressure to stay with the 150 account resolution totals, which we know will be substantially lower that the President's request. Our immediate objective is to convince appropriation staffers that we cannot operate effectively below a level of about $410 million level regardless of how they treat the issue of program funding.

The dilemma this scenario poses for the agency is apparent. Holding the appropriation at the $340.6 million level will require a shift of nearly $60 million from programs into O.E., even assuming the unacceptably low $400 million level. In addition, there will be a shift of about $4.5 to $5.0 million from programs into the appropriation for Operating Expenses of the Inspector General. If Congress expects A.I.D. to absorb any additional O.E. requirements, the cost to the program will go up. Our FERS estimate, for example, was based on the OMB-prescribed rate of 40% for individuals switching from the old system to the new retirement system. We believe the switch rate for foreign service personnel may be substantially higher, and require significantly higher agency contributions. If so, we may find that Congress will require us to absorb the additional cost from program funds.

This discussion was designed to bring you up to date on what is a potential problem now, but what could turn into a real problem in late September or October.

B. "Accountability" of Foreign Assistance Funds - a Congressional Concern

Due to allegations of fund misuse or diversions by the Marcos and Duvalier regimes, together with a number of critical GAO and IG audit reports, the Congress is calling for increased accountability in the delivery of our assistance programs. The degree of accountability required by the Congress is not currently possible without additional staff and/or major changes in how we structure and carry-out our programs.

The HFAC has approved Hamilton sub-committee language which requires the establishment of strict accounting procedures and controls which ensure that the USG is able to verify that all foreign assistance is not used for corrupt personal financial gain. We have two major concerns with this legislation. First, there are no practical procedures and controls available to ensure verification of personal gain. We are therefore attempting to have the

language changed to incorporate the concept of "reasonable assurance" rather than verification. Second, the applicability of the provision is all encompassing. That is, it includes all foreign assistance and PL-480 funds and commodities. This includes host-country owned local currencies which were generated as a result of A.I.D. or PL-480 programs. To apply the degree of accountability envisioned by the legislation to host-country owned monies, in addition to being extremely labor intensive, would in many cases require difficult and sensitive negotiations with host countries. We are attempting to change the scope of the proposed legislation to include only appropriated monies.

The bottom line on this issue is that, like motherhood and apple pie, we are all for increased accountability but there are limits as to what we can do. We are currently managing two major initiatives; the internal control and the payment verification processes, which are directed toward improved accountability. In addition we have, this year, initiated a complimentary program which requires an on-sight assessment of every overseas financial management office every three years. We can do more, but not much more without additional resources and program changes.

IV. OTHER ONGOING ACTIVITIES

1. Systems Initiatives

Over the past several years FM has worked to upgrade its obsolete manual and semi-automated financial systems both in A.I.D./Washington and overseas. The results of these efforts are the Financial Accounting and Control System (FACS) in Washington and the Mission Accounting and Control System (MACS) overseas.

The FACS is a modern, on-line, interactive system which provides for single data entry and provides information to M/FM clients upon request. This new system is currently being implemented, replacing over 25 individual manual and/or automated systems. We hope that it will be fully implemented within the next 12 months. It is already, however, providing us with some limited payback. Various controls and edits built in help us to prevent overpayments and meet Federal prompt pay guidelines. We have also begun to train personnel in the rest of A.I.D. on how to use the system to keep track of their funding. Using FACS in this way will help reduce the numerous "cuff" records now being kept in Washington.

The MACS is a somewhat similar system developed to run on a mini-computer in the field. Prior to its implementation, our overseas missions maintained manual, people-intensive systems. As financial requirements expanded and both American and Foreign Service Nationals staffs decreased, automation was about the only way we could expect to adequately service the mission and, at the same time, fulfill all Congressional and administrative demands. This system is currently either "up and running" or in the process of being implemented in 24 of our 42 accounting stations overseas covering over 70 countries. Six other accounting stations have been scheduled for implementation. The remaining 12 were initially left out because they could not otherwise justify the size computer which would be required. With the recent reduction in costs and increase in power of mini-computers, we will review these decisions.

2. A.I.D.'s Internal Control Process

Under the Federal Managers Financial Management Integrity Act of 1982 (FMFIA) each agency head is required to submit to the President and to Congress a certification as to the adequacy of their internal controls to avoid waste, abuse, and mismanagement of U.S. Government funds. This Annual Certification submitted annually on December 31 identifies material weaknesses based on evaluations of an agency's internal control systems. The OMB Circular A-123 contains the implementing guidelines to government agencies to implement the FMFIA.

The Assistant to the Administrator for Management is the Internal Control Manager for the entire Agency. The Internal Control manager has the responsibility to issue and clarify all Agency policy on internal control. A.I.D.'s Internal Control Oversight Committee (ICOC), whose membership primarily consists of all deputy assistant administrators and which is chaired by the Controller, is responsible for coordinating the evaluations of the Agency's internal control systems. ICOC staff work, which includes design and maintenance of tracking systems, is performed by FM personnel.

In response to government-wide complaints about too much paperwork and cost, OMB revised its implementing guidelines in 1986. The revised Circular A-123 allows an agency more flexibility to tailor an internal control process suitable to its own particular needs. The revised Circular also calls for more active participation of agency senior management in the internal control process. In line with this, A.I.D. is currently undergoing a major change in its process which will result in a strengthening of our ability to manage and monitor our world-wide activities.

ANNEX 1 - ADDITIONAL DETAILS ON A.I.D. OPERATING EXPENSES

1. Legislative History

Prior to Fiscal Year 1976, the administrative costs of A.I.D. were funded in part from the functional appropriations for development and supporting assistance, and in part by a separate administrative expense appropriation. In FY 1976 the Agency, at the insistence of Congress, initiated a request for a distinct funding appropriation for its operating expenses.

The initial operating expense appropriation consisted of funds required for salaries and other supporting costs of direct hire personnel engaged in policy formulation, personnel and administrative support, and basic functions of planning, coordination, management, support, and evaluation of assistance programs. The normal administrative overhead costs such as rents, utilities, communications, supplies, equipment, etc., were also funding from the operating expense account. Some costs however, such as travel and salaries of some direct hire employees directly related to projects, continued to be funded from functional appropriations.

In FY 1979, again at the urging of Congress, the concept of operating expenses was refined. At that time the Agency began charging the salaries and support costs of all direct-hire employees as well as all of the costs associated with travel performed by direct hire employees, to the operating expense account, regardless of project association.

The Senate, in its Report on A.I.D.'s FY 1980 Appropriation Bill, stated that "In keeping with congressional requirements, all costs not specifically and directly related to identified projects are mandated to be funded from Operating Expenses. In addition, all personnel and related expenses including travel and transportation of non-reimbursable full time employees in permanent positions are required to be justified and funded only from this account". The only employees excluded from this provision are those in the Housing Investment Guarantee Program and the Excess Property Disposal Program.

In furtherance of this position, the Senate Committee deleted projects from the FY 1980 functional account budget request because the proposed activities fell under the Senate's definition of Operating Expenses. The Report, in deleting these funds, stated that "These projects are of questionable value to the Agency, and it is clear that they do not contribute directly to economic development, they must be considered as operating expenses. If the Agency wishes to pursue these activities, and other projects having same or similar purposes, then the Agency will have to justify or request supplemental funding for them under the (Operating Expense) appropriation".

In FY 1986 the Congress reversed this trend by allowing the Agency to use program funds to pay for certain local support cost. Congressional action for FY 1987 and FY 1988 has continued this practice of split funding.

2. Operating Expense Policies

In 1980, FM introduced a cost center system for budgeting and accounting for operating costs. The system, which was encouraged by the Senate Appropriations Committee, is fully operational. Each Washington Bureau and Office and every field mission now has a separate operating expense budget and is primarily responsibly for managing and adhering to its budget levels. Each month FM prepares and distributes a report of actual obligations compared to budgeted amounts by cost center. As a result, managers have become increasing cost conscious since they now have the responsibility for managing the resources budgeted for their offices.

The installation of controller staffs within the Regional Bureaus has increased day-to-day oversight of both Washington and field mission budgets and expenditures. They also assist in relating personnel and program activities to operating expenses during formulation of the budget as well as in implementing the budget throughout the operating year.

During recent years, the Agency has made major efforts to reduce costs and effect efficiencies in the use of its operating expense funds. Relatively modest increases in operating costs have been accomplished in spite of major inflationary pressures overseas and the necessity to defer costs from year to year in order to remain within funding levels limited by Continuing Resolutions.

As a result of implementing these policies, Agency management believes it has attained more effective control over operating expenses and has virtually eliminated the Senate Appropriation Committee's previously expressed concern that A.I.D. did not budget or account for its administrative costs effectively.

3. Trends in A.I.D. Operating Expenses

The table on the next page breaks out the major categories of operating expenses from FY 1982 to the FY 1988 request:

A.I.D. OPERATING EXPENSES
($ in millions)

Category	FY 82 Actual	FY 83 Actual	FY 84 Actual	FY 85 Actual	FY 86 Actual	FY 87 Est.	FY 88 Request
REGULAR OPERATING EXPENSES:							
Salaries/Benefits	$ 159.6	$ 172.9	$ 183.7	$ 191.8	$ 177.7	$ 194.8	$ 213.6
Overseas Costs	128.9	137.6	143.3	150.5	149.9	147.4	156.5
Subtotal	288.5	310.5	327.0	342.3	327.6	342.2	370.1
General Support Services	16.9	16.6	17.4	19.7	22.6	22.9	26.1
ADP/WP Support Services	5.6	8.1	7.7	11.4	9.7	9.1	11.0
Staff Training	2.9	3.2	3.8	3.0	3.3	3.5	4.2
Miscellaneous Services	4.4	6.3	6.1	6.8	6.8	5.2	5.5
A.I.D./W Travel	4.0	4.5	4.7	4.5	3.8	3.5	3.8
Federal Payments	3.4	3.5	3.9	4.0	5.1	5.1	5.6
Subtotal	37.2	42.2	43.6	49.4	51.3	49.3	56.2
636(c) Construction	2.6	0.7	2.1	2.5	1.0	0.5	2.5
636(d) Schools	2.5	2.5	1.5	1.5	2.5	2.5	2.5
Security Equipment	1.4	1.0	1.2	1.7	0.0	0.0	0.0
Subtotal	6.5	4.2	4.8	5.7	3.5	3.0	5.0
REGULAR OE REQUIREMENTS	$ 332.2	$ 356.9	$ 375.4	$ 397.4	$ 382.4	$ 394.5	$ 431.3
Funds Available							
Appropriated OE	331.0	335.0	361.5	391.5	360.2	340.6	426.8
Local Support Costs	0.0	0.0	0.0	0.0	16.2	38.6	0.0
Supplementals	0.0	9.9	11.0	2.5	0.0	9.8	0.0
Prior Year carryforward	0.0	8.1	0.2	1.2	1.4	0.0	0.0
End of Year Balance	0.0	(0.1)	(1.2)	(1.4)	0.0	0.0	0.0
Reimbursements	2.8	4.2	4.1	4.2	5.4	5.5	4.5
TOTAL OE AVAILABILITY	$ 333.8	$ 357.1	$ 375.6	$ 398.0	$ 383.2	$ 394.5	$ 431.3
OE Unobligated Balance	$ 1.6	$ 0.2	$ 0.2	$ 0.6	$ 0.8	$ 0.0	$ 0.0
IG OE REQUIREMENTS					$ 20.7	$ 22.2	$ 22.7
TOTAL IG AVAILABILITY					21.0	22.2	22.7
IG Unobligated Balance					$ 0.3	$ 0.0	$ 0.0
TOTAL REQUIREMENTS	$ 332.2	$ 356.9	$ 375.4	$ 397.4	$ 403.1	$ 416.7	$ 454.0
TOTAL AVAILABILITY	333.8	357.1	375.6	398.0	404.2	416.7	454.0
UNOBLIGATED BALANCE	$ 1.6	$ 0.2	$ 0.2	$ 0.6	$ 1.1	$ 0.0	$ 0.0

ANNEX 2: ADDITIONAL DETAILS ON A I.D.'s WORKFORCE

	FY 1986 Actual	FY 1987 Estimate	FY 1988 Estimate
Washington:			
U.S. Nationals	2,009	2,085	2,085
Overseas:			
U.S. Nationals	1,426	1,444	1,444
Foreign Nationals	1,240	1,296	1,296
Subtotal Overseas	2,666	2,740	2,740
Total A.I.D.	4,675	4,825	4,825

The Agency's authorized workforce level in FY 1986 was 4,875 workyears. Because of limited funding availabilities and uncertainties regarding the impact of Gramm-Rudman-Hollings on the Operating Expense Budget, the limited hiring freeze in place in 1985 was continued through mid-1986. This hiring freeze, combined with higher than anticipated retirements during the latter half of FY 1986, resulted in a workyear utilization 200 workyears less than that authorized by OMB, about half of which were vacant foreign national positions.

The Agency is now recruiting to fill the many critical vacancies throughout the Agency resulting from past hiring freezes, including a program to recruit an additional 100 International Development Interns (IDIs). However, it will take some time to reverse the past downward trend in the Agency's workforce levels and begin filling the vacancies. We hope that most current vacancies will be filled prior to the end of FY 1987 and that the budgeted workyear levels will be fully utilized in FY 1988.

1. A.I.D. Workforce Resources

A.I.D. obtains its workforce resources under a variety of arrangements and authorities -- direct-hire U.S. (USDH) and foreign national (FNDH) employees, contractors, personnel of other Federal agencies who are assigned to work with A.I.D. by agreement between the two agencies (Details-In), and individuals made available from state and local governments (including universities) through the Intergovernmental Personnel Act (IPA).

(a) A.I.D. Direct-Hire Personnel

The bulk of A.I.D.'s workforce is made up of full time direct-hire employees serving in permanent positions, who are responsible for the administration of Agency programs and projects, including the functions of program planning, development, evaluation, and management support. Very few of these U.S. personnel actually engage in project execution; the Agency utilizes the expertise of other Federal agency personnel and contractors in project design and implementation.

Some 1,296 foreign national direct-hire employees support the U.S. direct-hire staff overseas. Most of the foreign nationals provide support in the administrative and clerical fields; some, however, perform functions which could be -- and in the past often were -- performed by U.S. staff such as engineers, economists, participant training officers, personnel officers, and a wide range of other specialists. Because of their knowledge of local customs and practices, local employees are often more effective and appropriate than Americans might be, and they are less costly.

In A.I.D./Washington, there are approximately 2,085 full-time direct-hire Americans responsible for a wide range of functions, including the provision of policy and program direction to the overseas posts, and a wide variety of program and management support services.

As of March 31, 1987, the Agency had 4,306 full time, direct-hire employees in permanent positions in Washington and overseas, as well as 331 part-time and temporary employees.

(b) Contractor Personnel

Consistent with explicit direction in the Foreign Assistance Act, the Agency has established a policy of carrying-out its development assistance programs to the maximum extent possible through the private sector.

A.I.D. currently utilizes the services of Americans and foreign nationals through contractual arrangements with individuals, private institutions and firms. The contract may be directly between A.I.D. and the contractor (A.I.D. - direct-contract), or may be between the recipient country and the contractor (Borrower/Grantee -- "B/G" - contract).

(c) Other Federal Agency Personnel

A.I.D. also looks to other Federal agencies to provide the expertise from their staff under a special Participating Agency Service Agreement (PASA) worked out with each agency. Under such agreements the personnel involved remain employees of the parent agency during their overseas assignment with A.I.D.; they do not enter A.I.D.'s employment rolls. A Resources Support Services Agreement (RSSA) is used for obtaining continuing professional staff assistance from other agencies when the services are not related to specific projects with a fixed-time period for their accomplishment. RSSA personnel are assigned in the U.S.

(d) Intergovernmental Personnel Act

Under the provisions of Public Law 91-648, the Intergovernmental Personnel Act (IPA) of 1970, A.I.D. also utilizes employees from state and local governments and from institutions of higher education. Title IV of this law provides for the interchange of personnel of the Federal Government and of state and local governments and instititions of higher education under a special agreement

between the individual Federal agency and the local government or institution. Such personnel serve in the Federal Government either under a detail arrangement or on transfer from the parent organization while in a leave-without-pay status.

(e) Details-In

Finally, A.I.D. obtains some personnel resources from other Federal agencies through formally detailing the employees to A.I.D. Under these arrangements A.I.D. reimburses the employing agency for all salaries and benefits earned by the employee. The employee continues to count against the FTE ceiling of the employing agency, not the ceiling of A.I.D.

In summary, the Agency's policy of using non-A.I.D. expertise to the maximum extent feasible is based on several factors. First, the scope of the economic assistance program requires that the Agency draw upon the variety of technical resources and skills of other government and private institutions; in many cases the need for specialized skills may be only temporary and "borrowing" rather that employing such personnel provides the Agency with greater program management flexibility. Second, this policy encourages the continuing infusion of up-to-date technology and "state-of-the-art" expertise from the institutions with outstanding capabilities in the various technical areas. Further, the use of personnel from private institutions encourages the establishment of post-assistance ties and relationships between those institutions and parallel institutions and entities in the recipient countries, which can provide a mutual benefit to both parties in the future.

2. A.I.D. Internal Workforce Resource Allocation and Employment Control System

Within ceiling limitations imposed by OMB, A.I.D.'s workforce resource requirements are determined as an integral part of the annual program development and budget cycle. This cycle begins with the transmission to each A.I.D. overseas post of the Annual Budget Submission (ABS) guidance prepared by the Bureau for Program and Policy Coordination (PPC) and the Office of Financial Management (FM) for field submission of budget requests. The ABS is developed consistent with and in support of the Country Development Strategy Statement (CDSS) from each overseas mission. It is designed to provide data for use in the review and approval of the current and projected workforce resource requirements. The Office of Financial Management is responsible for reviewing and making recommendations on the workforce resource requests of the Missions in conjunction with the appropriate Geographic Bureau, and with other A.I.D. Bureaus and Offices with overseas staffs.

Concurrently guidance for the Washington ABS, which includes workforce allocations, is sent from FM to each Washington Bureau and Office. The workforce requirements are then reviewed by FM, which makes recommendations based on overall Agency priorities and program requirements.

After comprehensive reviews, FM aggregates all of the workforce requests and recommendations and develops the overall A.I.D. workforce budget proposal. This proposal is then reviewed and approved by the Administrator and submitted to OMB.

Based on the decisions resulting from the foregoing process, and after the appropriation process, FM issues workforce and funding levels for the operational year to each A.I.D./Washington Bureau and Office.

Simultaneous with this process, requests for allocations of consultant workdays and overtime are reviewed by FM and levels for each A.I.D./Washington Bureau and Office are determined after a careful assessment of requirements, as well as the availability of operating expense funds.

Adherence to Agency U.S. national workforce allocations -- both for A.I.D./W and overseas -- are assured by control procedures in the Office of Personnel Management supported by an automated data system. Foreign National Employment is controlled at the Mission level and monitored by Washington.

Overtime and consultant allocations in A.I.D./W are monitored centrally.

3. Workforce numbers and trends

A.I.D.'s direct-hire workforce has changed significantly over the years. From an on-board level of about 14,750 direct-hire personnel in 1961, the Agency reached a peak of some 18,000 in 1968. Between 1968 and the end of fiscal year 1980, the workforce was reduced by approximately 12,000 (4,700 U.S. and 7,300 foreign national employees) - to a level of about 6,000. Between 1981 and 1987 it was decreased further to an authorized level of 4825.

There are a number of factors which have affected the changing workforce levels. The peak employment of the late 1960's reflected the expansion of the Agency's programs in the Southeast Asia area. Then during 1969, A.I.D. sustained a 12% reduction in American personnel overseas -- both A.I.D. direct-hire and other Federal agency personnel in service with A.I.D. under PASAs -- and a similar reduction in foreign national under the President's Balance of Payments program, the purpose of which was to save staff cost outflows overseas. The Washington staff was also reduced (through reduction-in-force procedures) by approximately 12% during this period due to a reduction in the FY 1969 administrative appropriation.

During FY 1970 the Agency's overseas staff was reduced further under another exercise -- Overseas Presence Reduction -- in which the President directed that by June 30, 1970, A.I.D. and other government agencies reduce overseas employment 10% below the June 1969 level in order to minimize the official U.S. government profile overseas. For purposes of this exercise, A.I.D. overseas employment was defined to include: (1) A.I.D. direct hire employees in permanent positions, (2) other U.S. agency employees working for A.I.D. under PASAs and (3) American personal service contract employees. A.I.D. actually reduced the total number of employees overseas by 758 Americans, or 14%. In the same period foreign national employment was reduced by over 854 or 10%.

In FY 1971, A.I.D. achieved a further reduction of 12% overseas. The President directed the Under Secretaries Committee of the National Security Council to continue to monitor and control U.S. Government presence abroad.

In FY 1972 and FY 1973, A.I.D.'s direct-hire staff was reduced by more the 3,300 employees -- a two-year reduction of 25%. This reduction, resulting from a Reform Plan initiated by the Agency in 1972, was achieved through a consolidation of program and management support services in Washington, a tightly enforced hiring freeze, and the separation of foreign service staff serving in time-limited appointments.

Reductions continued in the Agency's direct hire overseas staff during FY 1974 resulting from program changes, as well as new ways of doing business, whereby actual project implementation was carried out by others -- the host country itself, the U.S. private sector, and other Federal agencies.
During FY 1975, the overseas A.I.D. direct-hire staff was reduced dramatically as a result of the termination of programs in Indochina -- by about 525 Americans and about 1,600 foreign nationals.

In spite of the large reduction in the A.I.D. workforce from the 1960s to the late 1970s, it was obvious that A.I.D. continued to maintain both a large headquarters staff and an extensive overseas field presence. Consequently, as a part of President Reagan's effort to reduce Federal spending in FY 1981, OMB sought and reached agreements with A.I.D. in February, 1981 on a series of graduated employment reductions through 1986, totaling 965 FTE and 851 full-time permanent positions from January 31, 1981 on board levels. The agreement represented reductions of 21% and 18% in FTEs and FTEPPs, respectively, over the 5-year period.

At the direction of Peter McPherson, a Task Force on Personnel Ceiling Reductions was formed for the purpose of identifying options for how A.I.D. would go about attaining the workforce reduction and to identify the program and policy changes required for the agency to function effectively at the reduced workforce levels. A report was submitted to McPherson in December, 1981. Subsequent personnel decisions were based upon recommendations contained in this report.

By March, 1982, A.I.D. had developed a 1986 ceiling proposal allocating the 851 FTEPP reductions it revealed that:

(a) 250 FTEPPs would be eliminated by 9-31-82, including 184 in Washington and 66 overseas;

(b) 45 additional positions would be eliminated through efficiencies in the Bureau of Management and clerical reductions in the regional bureaus;

(c) 165 overseas positions (50 U.S., 115 foreign national) identified as "overstaffing" would be eliminated; and;

(d) 462 foreign national positions would be converted to contract status;

From the beginning of the reduction exercise, A.I.D. was guided by several principles:

(a) the reduction should be achieved without impairing A.I.D.'s overseas presence;

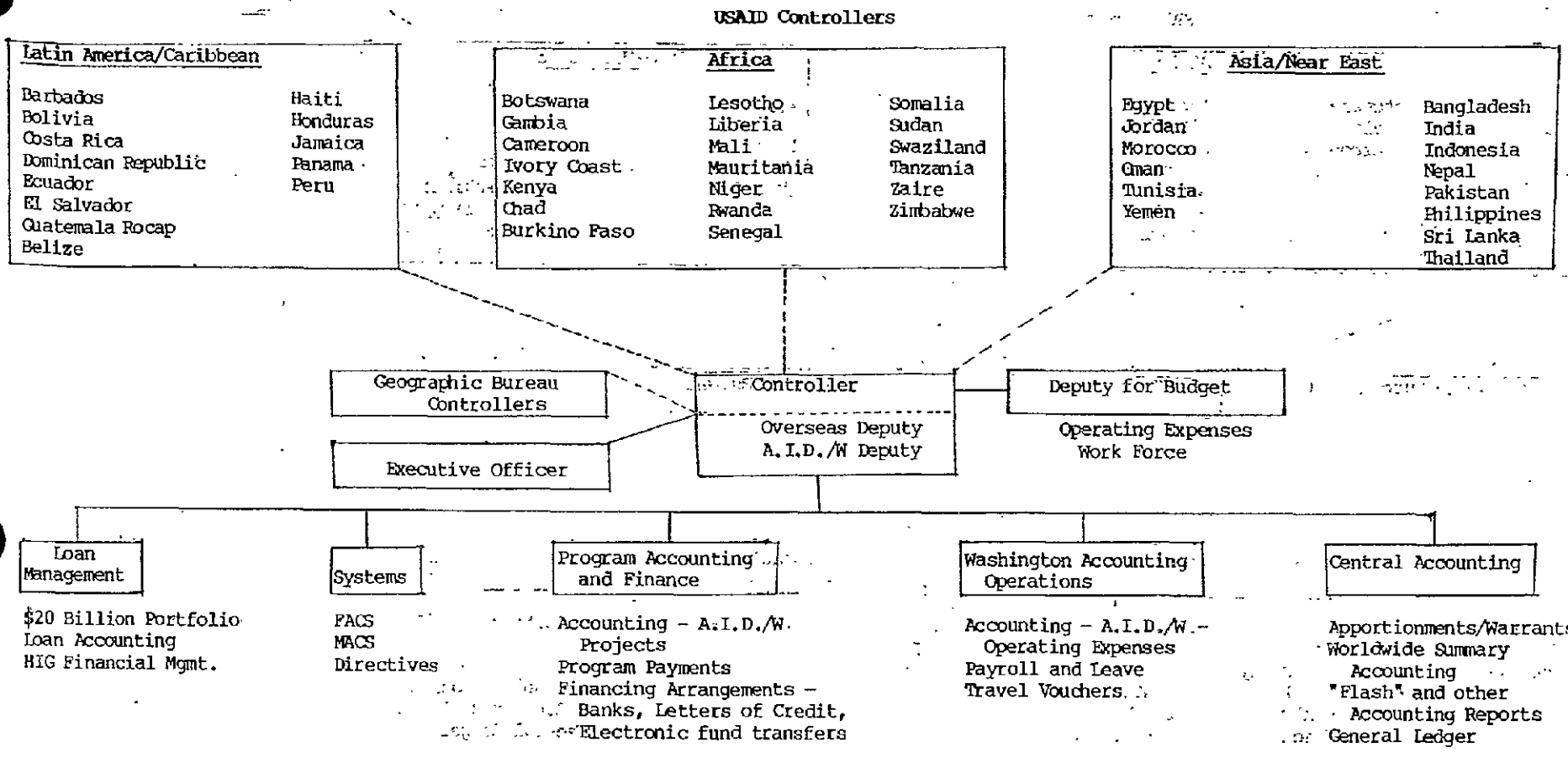
(b) redundancy should be eliminated wherever possible. In A.I.D./W, an attempt has been made to achieve a reduction in duplicative review procedures; thus, reductions in PPC (mostly IDCA), S&T and the regional bureaus were intended to reduce paper shuffling and unnecessary layers of review;

(c) the reduction should be achieved without a RIF. To achieve the reduction through attrition, A.I.D. started early using the 1982 target instead of the higher 1981 limits. McPherson also put in place a modified A.I.D./W hiring freeze and began a replacement program to put occupants of deleted positions into continued position vacancies;

(d) clerical and unskilled foreign national positions, where possible, should be replaced by contract personnel.

The following table outlines A.I.D.'s FTE workyears from FY 1982 to FY 1988:

Fiscal	U.S. DIRECT HIRE				
Year	AID/W	Overseas	Total	FNDH	TOTAL FTE
1982	2,252	1,494	3,746	1,699	5,445
1983	2,189	1,447	3,636	1,536	5,172
1984	2,211	1,515	3,726	1,391	5,117
1985	2,161	1,507	3,668	1,301	4,969
1986	2,009	1,426	3,435	1,240	4,675
1987	2,085	1,444	3,529	1,296	4,825 *
1988	2,085	1,444	3,529	1,296	4,825 *

* ceiling

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