
Management Action Plan



Agency for International Development

May 1991

Dear Friends and Colleagues:

This is our 30th anniversary, a propitious time, I think, to reflect upon our condition, and to implement important organizational and management changes in keeping with our remarkably different world.

To be sure, reorganization is not an end in itself. It is merely a means through which to improve the quality of our performance. Nearly all of us have concluded at one time or another that improvement was possible and desirable to provide better quality service.

We believe restructuring will provide the Agency with several immediate benefits. It will:

- Group units with similar objectives or functions within the same organizational orbit.
- Minimize redundancies between organizational units.
- Create an internal control staff to give greater visibility and leadership to the Agency's efforts to improve overall management.
- Reduce senior management's span of control without impeding communications.
- Enhance our ability to lead, to monitor and to report accurately and promptly on progress as well as problem areas.

This process was not undertaken lightly. As you know, the credibility of the Agency had been challenged. Some criticisms may have been unwarranted, but we are not satisfied to be regarded as average. Thus, we have not limited our effort to changes which might correct the problems of the past. The charter of our year-long review was to develop the basis for a strong foreign assistance management framework for the 1990s and beyond.

Those whom we serve, including the American taxpayer, expect us to ensure that benefits derived from the Agency's activities represent a solid value for every dollar spent. The President and Congress look to us to ensure that every overseas program is cost-effective and supports the U.S. foreign policy agenda.

It is my conviction that this Management Action Plan will help the Agency for International Development function more effectively. I hope that you concur.


Ronald W. Roskens
Administrator

Introduction

The Agency for International Development has undertaken a major initiative to assess and enhance the effectiveness of the Agency's management and improve the service we provide. Our goal in conducting this year-long review was to address the concerns about management practices raised by external constituents and by Agency staff, but also to develop a management strategy that ensures the Agency's activities are consistent with effective stewardship of America's investment in the developing world in the coming decades.

The events of the past year have underscored the urgent need for flexible and rapidly available economic, political and humanitarian assistance as a vital instrument of American foreign policy. The 1990s will be a time of great challenge to the United States and the management of U.S. foreign assistance.

The Agency for International Development is now moving to develop the basis for a strong foreign assistance management framework for the 1990s and beyond. For 30 years, A.I.D.'s work has been synonymous with international development leadership. Our staff has pioneered historical breakthroughs that have pushed forward the boundaries of human progress in the developing world, in areas such as health care, agricultural production, literacy, family planning and individual economic opportunity.

The Agency now faces the challenge of linking this development momentum and matchless personnel resources to a dramati-

cally altered foreign policy environment and new development issues.

Although the challenges are enormous, the resources to respond will be limited. Budget and trade deficits and increasing pressures to limit U.S. Government expenditures will continue to influence A.I.D. activities. Big challenges and tight resources require dramatic improvements in management. This **Action Plan** lays out the steps we will take in the next 12 months to improve management practices and to position A.I.D. to respond flexibly and rapidly to future foreign assistance developments.

We now are taking decisive action.

The time has come to move beyond introspection and analysis. A.I.D. must take major actions to strengthen its management practices. Not to do so would be to forsake our leadership as the principal instrument of U.S. foreign assistance implementation and squander the Agency's unmatched human resources and our unique network of field missions in the developing world.

The Administrator and the Agency's executive management team are fully committed to improving the quality of Agency management. This action plan proposes changes which will be implemented over the next year to improve the quality and cost-effectiveness of Agency services. The actions we are taking will result in a streamlined organizational structure and greatly simplified operating procedures. Implementation of these actions will require reorganizing the

Agency's structure to ensure that each individual and each office or division has a clear, well-defined relationship to our basic job: delivering sound development programs to partner nations overseas.

Studies and Findings

Over the past several years, a series of A.I.D. management studies have been conducted. In most cases, recommendations were made, but, unfortunately, not acted upon. Congressional hearings repeatedly have focused on the fact that known problems persist from year to year. As the call for management reform grew louder in 1990 and 1991, the Agency initiated a number of studies to address management shortcomings. These studies included:

- o the Bollinger Task Force on Agency Redundancy (internal);
- o the Administrator's Management Initiatives Task Force (internal);
- o the Administrator's Reorganization Task Force (internal); and,
- o Deloitte & Touche (external).

In addition, the General Accounting Office (GAO) is conducting a general management review of Agency operations.

Based on the findings of all these studies, and especially on the work of the 40 A.I.D. officers on the reorganization task force, we have identified the following areas in which management reform must be focused:

■ **Management objectives must be more clearly defined:** The past four years have

seen considerable turnover in senior management. During this period some A.I.D. managers tended to develop their own management agendas and took independent initiatives to strengthen specific operations. Although these initiatives were well-intended, in some cases the results disrupted the focus and coordination of A.I.D.'s organizational units.

■ **Managers must be held accountable for results:** Committee management, consensus decision-making and the personnel rotation policy have reduced the Agency's ability to hold individual managers accountable for results.

Past evaluation measures have focused on inputs, not outputs—answering the question, "Did A.I.D. deliver what it promised?", not the question, "What development changes resulted?" Performance results were difficult to measure because project objectives were not conducive to measurement.

■ **The Agency has too many activities, programs and projects:** The Agency must focus on what services it delivers. The number and types of projects have proliferated, often in response to constituency groups. The Agency must be willing to terminate projects that do not achieve results or which are no longer relevant to development problems.

■ **Performance incentives must reward real contributions:** Some observers perceive that the Agency's current incentive process does not uniformly recognize those employees or organizational units contributing to the success of Agency objectives.

A.I.D. must address complaints that:

- o Assignments and the incentive system are not consistently linked;
- o Agency objectives are not articulated clearly enough to be linked to performance management;
- o Rewards/recognition are often based on positions, not actions; and,
- o Incentives emphasize short-term activity performance, not long-term results performance.

■ **Constituent service has absorbed a substantial amount of personnel resources:** A significant amount of A.I.D. staff time is spent preparing legislatively mandated reports and status papers, considering legislatively mandated project design factors and responding to requests for information from Congress, private voluntary organizations, universities and other constituents. With an information-intensive mission, the Agency must develop an information system that makes the best use of personnel and improves the timeliness of responses.

■ **The roles and responsibilities of bureaus must be more clearly defined:** Individual managers have interpreted A.I.D.'s responsibilities differently and have assumed different levels of policy formulation and implementation responsibility. Because these responsibilities were not clearly defined, the Agency now has several bureaus whose management infrastructures duplicate services provided by other A.I.D. units.

■ **Organization structure must facilitate effective management:** The three organizational "tiers" that currently exist within the

Agency—central bureaus, regional bureaus and missions—rely on informal rather than formal reporting relationships. For example, the absence of a direct reporting relationship between the specialized central bureaus and the field missions makes it unclear how the central bureaus can hold the missions accountable for implementing policy.

■ **A.I.D.'s organization structure must be aligned with how the Agency now does business:** The Agency's current organization structure has changed little since the A.I.D. reform program of 1972. The number, type and complexity of development projects have increased, while the direct-hire work force has been shrinking. A significant amount of direct-hire management time now is spent managing contractors instead of focusing on the technical aspects of project implementation.

■ **The Administrator's span of control is unnecessarily large:** As a key component of U.S. foreign policy, A.I.D. must communicate and coordinate with a large number of organizations, including Congress, the State Department, multilateral donors, private voluntary organizations and universities, as well as with host countries. These organizations demand the Administrator's individual attention. Yet currently we have nine bureaus and eight offices reporting directly to the Administrator.

■ **A.I.D. must streamline its processes:** Agency processes are overly detailed, sometimes overstaffed and often require substantial documentation and review before a decision can be reached. It can take as long as two-and-one-half years to plan and approve a project, by which time

the real-world conditions have often changed. Internal management reports indicate that risk aversion contributes to process complexity.

■ **Contracting must be overhauled:** Procurement staff has been reduced over the past 15 years by approximately 25%, despite an *increase* in the annual number of contracts processed. All projects, regardless of size, go through the same procurement process. Because the Agency budget often is not passed by Congress until the middle of the fiscal year, most contracts are not submitted until the last two quarters, overloading the procurement office.

■ **Information systems must support decision-making and control:** Agency information systems are fragmented, and many bureaus have information systems that do not communicate with Agency-wide systems. Duplicate data collection efforts often are undertaken. As a result, information cannot be quickly exchanged, and there are profound difficulties in assigning priorities, analyzing costs or assessing program and project performance.

■ **A revitalized personnel system must support Agency objectives:** Agency staff have justifiably voiced complaints about current personnel processes. Long-term work force needs have not been adequately matched with long-term program objectives; work force planning must be upgraded; recruiting and career development are not sufficiently responsive to work force needs; the Agency lacks an adequate data base of personnel capabilities/skills; and the Office of Equal Opportunity Programs can be strengthened.

Instituting these significant reforms will require senior management and staff commitment, time and attention. To achieve this goal, we have developed an action plan to improve the effectiveness of Agency operations.

Action Set #1: Reorganization

Peter Drucker has said, "Quality in a service or product is not what you put into it. It's what the client or customer gets out of it." Reorganizing our structure is not an end in itself. It is merely a means by which we can focus our organization and position ourselves to provide better quality service to our clients and constituents. We believe restructuring will provide the Agency for International Development with several immediate benefits which are necessary in order to improve other aspects of Agency management. The new structure is designed to:

■ Enhance our ability to lead, to monitor and to report accurately and promptly on A.I.D.'s progress and accomplishments in meeting its mission;

■ Group units with similar objectives or functions within the same organizational unit to create service delivery efficiencies and, where possible, economies of scale;

■ Reduce senior management's span of control, without impeding the communications processes. Over time a streamlined Agency structure will increase middle management's span of control to leverage

management expertise and increase work output;

- Minimize redundancies between organizational units by grouping similar work activities under a responsible senior manager, with emphasis on intra-organization cooperation and service delivery; and,
- Create an internal control staff to give greater visibility and leadership to the Agency's efforts to improve internal controls.

Reorganization is not a panacea... but it is a vital part of the cure.

Our action plan to improve A.I.D. management is based on recommendations—most of them developed by teams of A.I.D. officers—that the Agency streamline its organization structure and take immediate action to modify its management processes. Centralizing the control of key management functions and resources, while at the same time decentralizing implementation authority to the field missions and regional bureaus, will produce an agency that is better focused and more effective and that has greater impact. Clearly defined objectives, responsibilities and performance expectations will provide the context in which these organizational resources can be most effectively managed.

We are committed to manage this agency as a first-rate, cutting-edge institution. In doing so, A.I.D. must align itself with the development environment to meet the program challenges of the 1990s. We must do so within the financial constraints of today's budget realities. With this reor-

ganization plan, the Administrator and the senior management team are reaffirming their commitment to fix what needs fixing, to strengthen our management credibility and, over the longer term, to become one of the best-managed agencies in the U.S. Government.

What will the new A.I.D./ Washington look like?

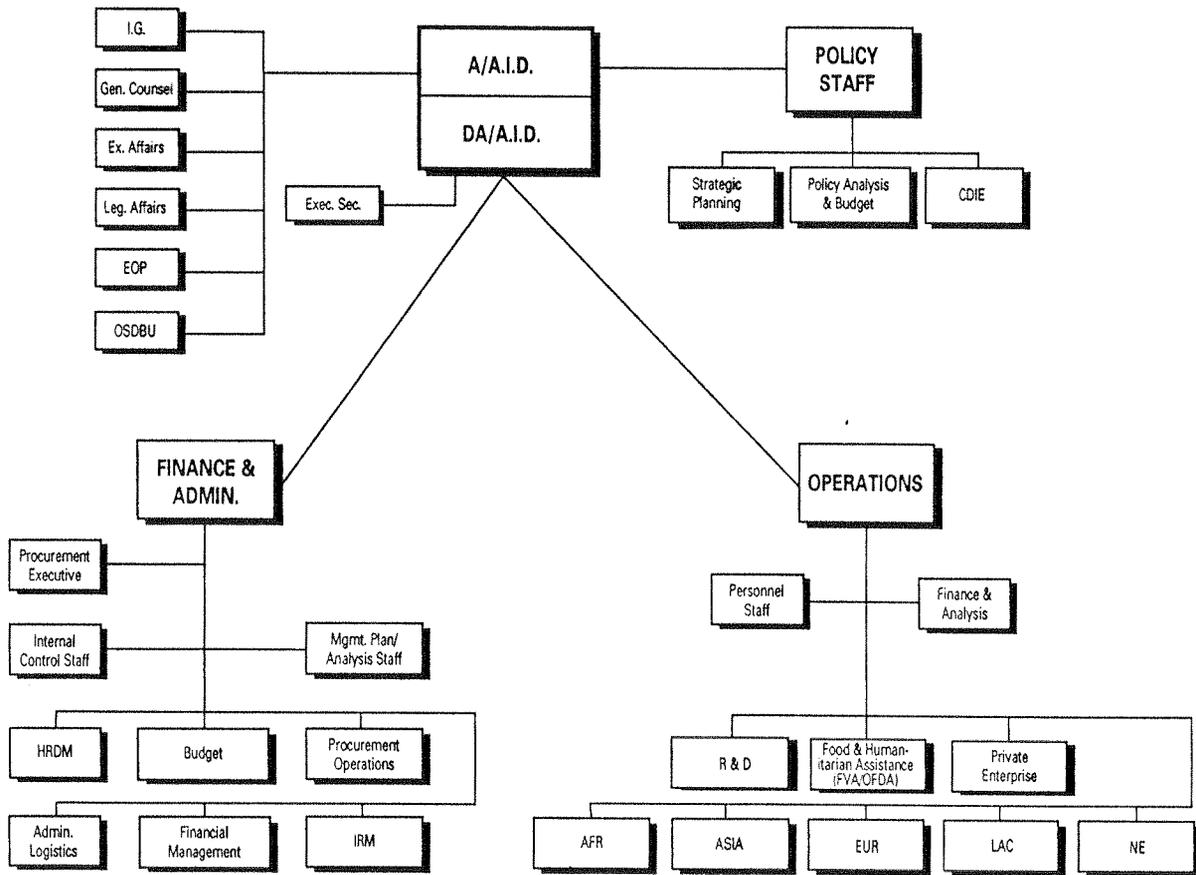
The best way to visualize the overall structure of A.I.D. would be to envision an inverted pyramid with our partner nations at the top, our field missions just below them and the Washington components of the Agency at the bottom.

Because they focus on headquarters functions, our charts will have the more conventional shape. The objective, however, is absolutely clear. We are restructuring around our core development business overseas. The new structure seeks to place everyone either in a direct line relationship with our missions, in a direct supporting role to the missions or in the role of setting the policy and management framework for our overseas programs.

Key Staff Offices

The reorganization involves no significant changes in the activities of several key staff offices. These offices are: Equal Opportunity Programs; General Counsel; External Affairs; Legislative Affairs; Executive Secretary; Small and Disadvantaged Business Utilization; and Inspector General.

New Agency Organization Structure



Operations

The most important single change in the new organization will be the grouping together in one cluster of all the Washington elements which are directly involved with the planning and delivery of development programs overseas. It will end the historic diaspora of programs such as food aid, housing guarantees, disaster relief, private voluntary organization core grants, microenterprise loan resources and others. All of these programs will come under the same managerial umbrella as the geo-

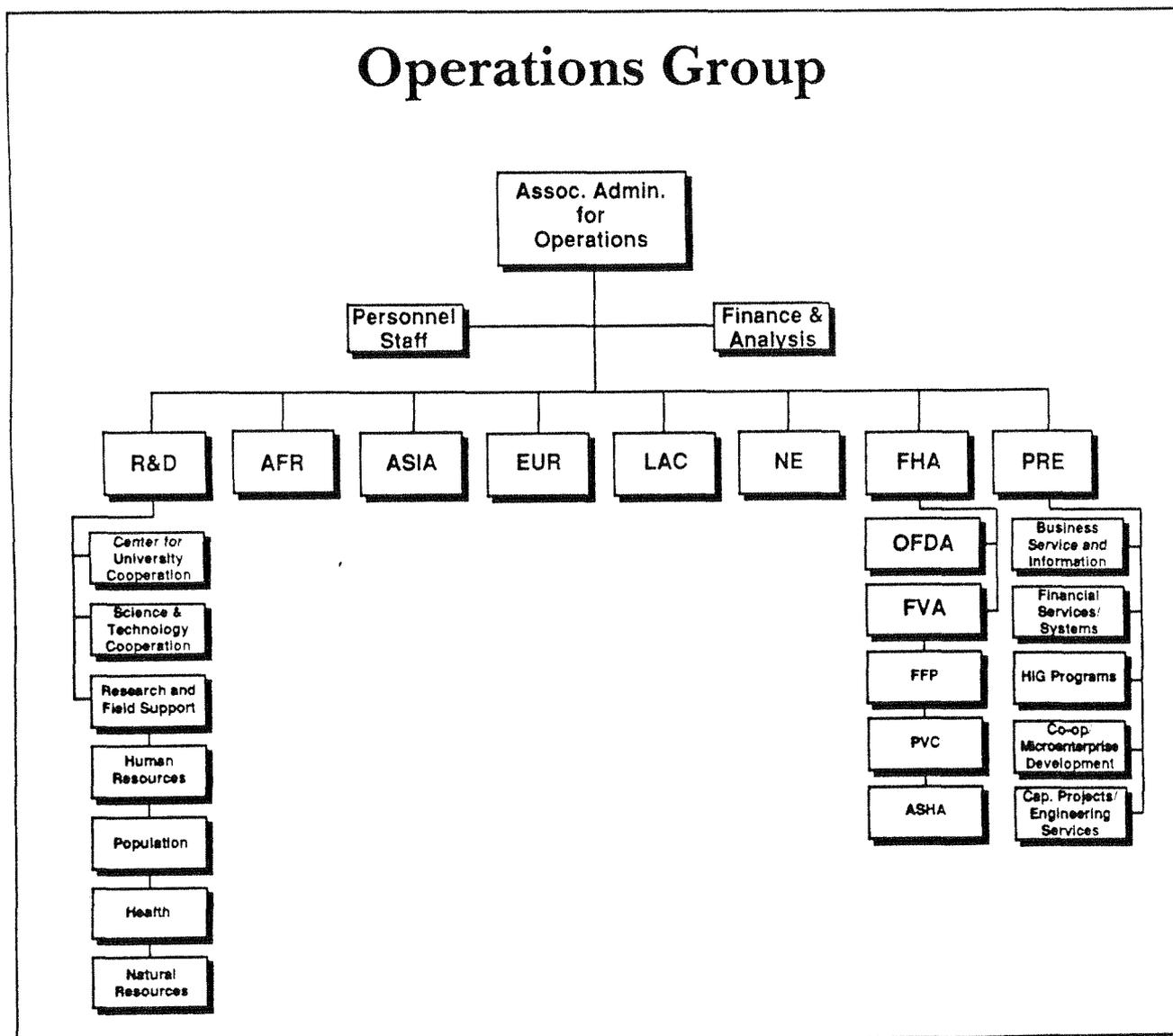
graphic bureaus which manage the traditional bilateral dollar-funded programs. Our goal will be to integrate resources and technical capacities across the board to ensure that we deliver consistent and top-quality support to our field missions worldwide. The Operations cluster will comprise eight bureaus.

■ **Office of the Associate Administrator:** The Associate Administrator for Operations (AA/O) is responsible for integrating and harmonizing our complex mix of overseas programs. While front-line management will continue to rest with the assistant

of the specialized bureaus, this position is where the threads all come together. This is where we will look to ensure that our food aid resources are effectively blended with our dollar resources in a coherent and consistent manner. This is where we will look to see that the goals of our private sector program and those of our environmental staff are effectively balanced and matched. The AA/O is the Administrator's "point person" on issues which relate to the assurance of overall timeliness, efficiency and quality in the delivery of overseas programs. Working closely with the Finance and Administration cluster, and in

continuous contact with the Policy staff, the AA/O works with the eight Operations bureaus to develop an integrated resource plan for all overseas activities.

The Associate Administrator will have two staff offices. The Personnel staff acts as a consolidated Executive Management Staff office for the Operations group. The Finance and Analysis staff develops a consolidated budget request, building on budget plans by each of the Operations bureaus. These requests will then be submitted to the Agency Budget Office for review. This office will be involved in resolving issues of



budget policy compliance and reallocation of budget resources between countries and bureaus. FTE planning for all Operations bureaus is coordinated at this level, and FTE requests will be directed to the Budget Office for review and final recommendations.

■ **Five Regional Bureaus:** The reorganization will shift the allocation of countries among bureaus as follows:

- Africa Bureau: no change from the present arrangement;
- Latin America/Caribbean Bureau: no change;
- Asia Bureau: to the present countries will be added Pakistan, Afghanistan, the Philippines and Cambodia;
- Europe Bureau: will continue management of programs in Central and Eastern Europe and any programming in the USSR as well as Ireland and Portugal; and,
- Near East Bureau: will continue management of programs in Morocco, Tunisia, Cyprus, Turkey, Egypt, Yemen, Oman, Jordan, Lebanon, Israel, and Gaza and West Bank.

As part of our effort to bring together everyone in A.I.D. directly involved in overseas programs, other bureaus listed below also will be part of the Operations group. This will facilitate closer coordination and integration between the specialized programs and the geographic strategies of the regional bureaus.

■ **Food and Humanitarian Assistance Bureau:** The new Food and Humanitarian Assistance Bureau is responsible for coordinating disaster assistance, food aid, private and voluntary agency support, and the American Schools and Hospitals Abroad programs.

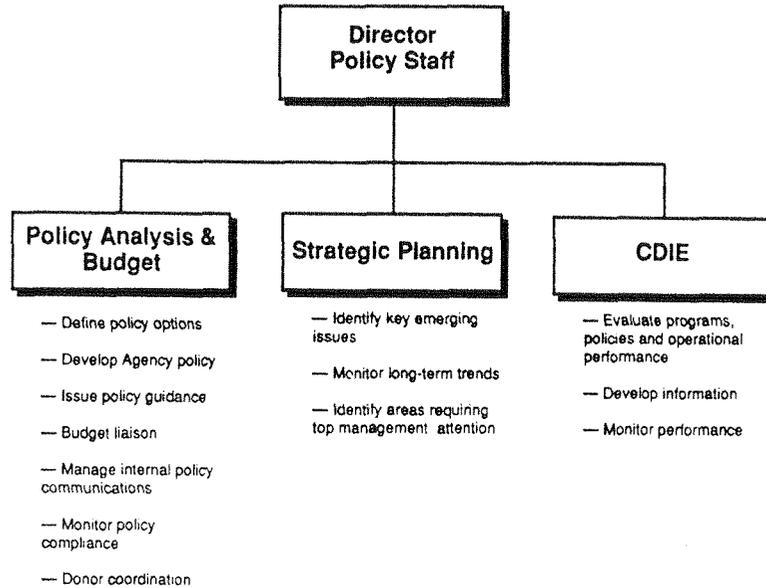
The Office of U.S. Foreign Disaster Assistance will remain a discrete unit within this bureau.

■ **Private Enterprise Bureau:** The Private Enterprise Bureau will be responsible for the overall outreach to, and support for, domestic and international private sectors. This bureau would not compete with the regional bureaus; rather, it supports regional bureau private sector activities by acting as the primary focal point for the Agency's private sector programs.

■ **Research and Development Bureau:** The Research and Development Bureau (R&D) is the successor to the current Science and Technology Bureau. R&D supports all regional bureaus and field missions in the design and implementation of assistance projects and programs, sector analyses and country development strategy statements. The program and applied research unit will conduct Agency long-term research and provide research management support to the regional bureaus.

We will focus on building new, stronger linkages between R&D technical staff and the technical elements of the other bureaus.

Policy Group



Policy

An important change is planned for the Policy function. In the past the Agency's policy arm has combined complex budget functions and the management of specialized programs such as Women in Development with the business of policy oversight. We are now structuring the Policy function not as a line element of the organization, but as a staff function, reporting directly to the Administrator. A somewhat smaller Policy team will be freed from the budget management and program management responsibilities.

The Director of the Policy staff advises the Administrator on long-range program planning, economic analysis and the development and monitoring of Agency policies.

The Office of the Director will include a deputy and a special advisor. The Policy staff will have three management units.

■ **Strategic Planning:** The Strategic Planning unit will be responsible for identifying key emerging issues, monitoring long-term foreign assistance and development environment trends, and identifying strategic areas which require senior management attention.

■ **Policy Analysis and Budget:** The Policy Analysis and Budget unit ensures that Agency policies are clearly and consistently reasoned, articulated and communicated to internal and external constituents. In this capacity the unit is responsible for defining policy options, developing Agency policy statements, issuing policy guidance,

formulating the overall framework for program budgets, defining performance indicators, managing internal policy communications and monitoring policy compliance. This office will carry out policy work necessary for coordination with multilateral and bilateral donors.

The Budget function in Policy will perform interagency liaison responsibilities for the Administrator and will ensure that the Administrator is fully current on all major 150 Account issues. It will not, however, carry out budget execution and oversight functions.

■ **Center for Development Information and Evaluation (CDIE):** CDIE is responsible for maintaining a data base of development information, evaluating programs, policies and operational performance, and monitoring overall Agency performance. By better measuring and reporting on our program, we expect to gain both internal and external benefits. With better evaluation information, managers can more readily replicate success and avoid failures. With more frequent and reliable reporting on program outcomes, we can work collaboratively with Congress and with cooperating countries to ensure that A.I.D. builds on its strengths and adapts its programs to changing development needs.

Finance and Administration

The Finance and Administration function coordinates with, and is consulted by, A.I.D.'s other organizational units, ensuring the quality and timeliness of administrative services necessary to fulfill the Agency's

program service responsibilities.

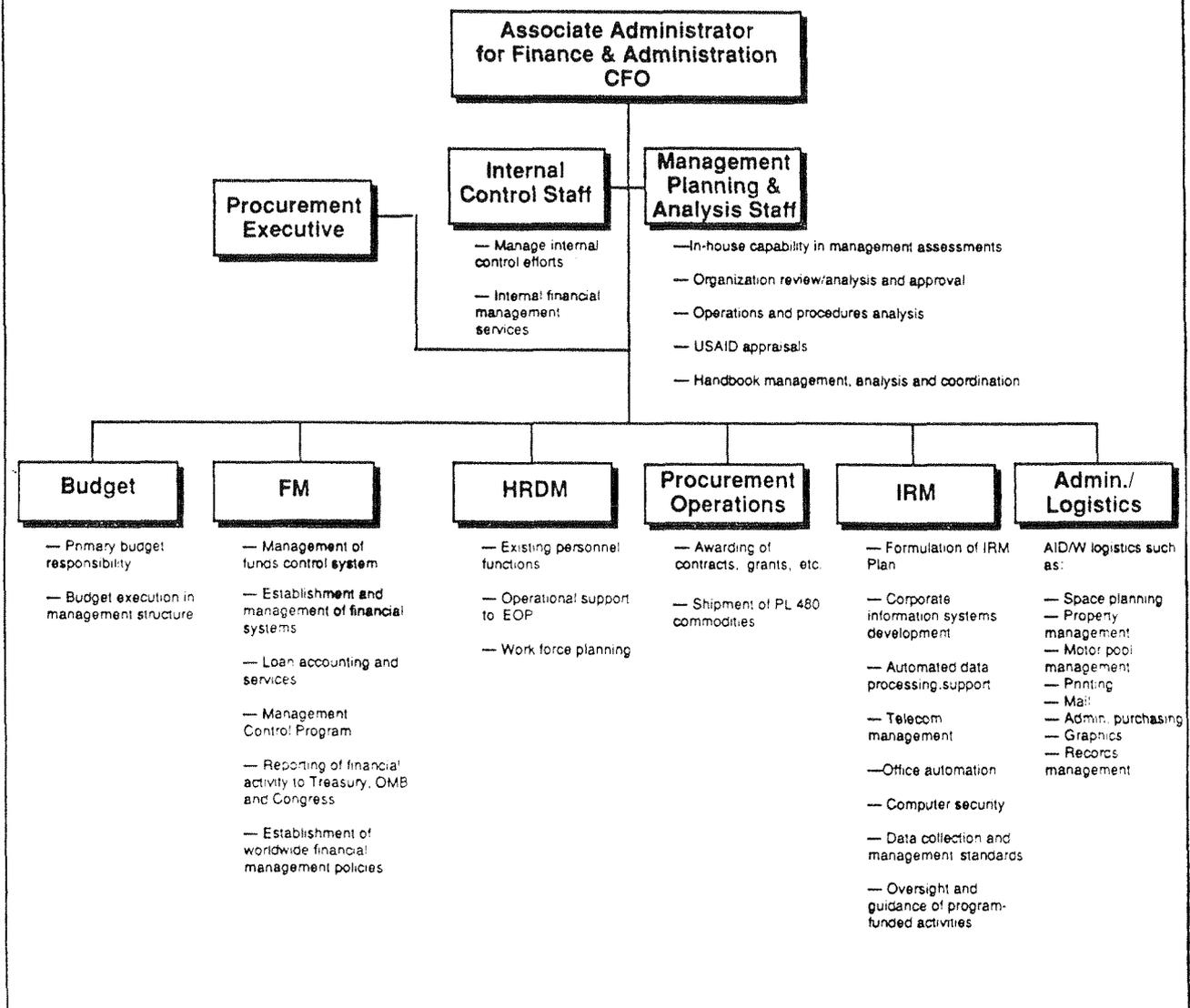
■ **Associate Administrator for Finance and Administration:** The Associate Administrator for Finance and Administration advises the Administrator on financial and management issues and serves as the Agency's Chief Financial Officer as set forth in the Chief Financial Officer Act of 1990. The Associate Administrator oversees audit results, manages administrative systems and is responsible for ensuring that the Agency rigorously addresses internal control issues.

Three staff offices will support the Associate Administrator. An Internal Control staff will support and strengthen the Agency's ability to manage its internal control efforts. A Management Planning and Analysis staff will provide the Agency with management analysis and assessment capabilities, as well as maintain all Agency procedure handbooks. A Procurement Executive will be responsible for assuring quality control for Agency procurement, identifying potential procurement issues and ensuring the integrity of the procurement process.

■ **Budget:** The preparation, execution, transaction management and tracking of the Agency's budget will be centralized in this office. Once broad budget policy has been established by senior management, the operation and management of the budget will be conducted by this group.

■ **Financial Management:** The Financial Management unit will be responsible for managing all of the Agency's financial management functions, including financial

Finance and Administration Group



policies, budget execution and tracking, financial information systems, loan accounting and services, Management Control Program and reporting of financial activity to Treasury, OMB and Congress.

■ **Human Resources Development and Management:** The Human Resources Development and Management unit will continue to perform all existing personnel functions, as well as support the operational aspects of Equal Employment Oppor-

tunity programs and develop an integrated work force planning process.

■ **Procurement Operations:** The Procurement Operations unit will continue to have responsibility for awarding of Agency contracts and grants, as well as shipment of PL 480 commodities.

■ **Information Resources Management (IRM):** The IRM unit will have primary responsibility for planning and developing

the Agency's information systems and advanced technology requirements. The information system of the Agency is being upgraded to meet program, accountability and efficiency objectives, as well as to reduce vulnerability to misuse. The information resources strategy encompasses new hardware, software, better trained users and standardized data management to ensure that all personnel have accurate and reliable information.

■ **Administration and Logistics:** The Administration and Logistics unit provides A.I.D./Washington with space planning, property management, motor pool management, general management, printing, mail, administrative purchasing, graphics and records management services.

Action Set #2: Priority Management Reforms

Reorganization is not an event, it is a process. The best organizations—be they corporations, universities or government agencies—are always making adjustments to their systems and to their structures. What we are doing is aggregating a good deal of organizational change into one package.

This package of changes, however, won't mean very much if we don't work on improving some of the key systems on which our Agency depends. The A.I.D. staff work which supported the reorganization planning paid considerable attention to shaping an agenda for improving our internal systems. We need to move expedi-

tiously on some of these items; others can take a little longer.

This section, which we are calling "Action Set #2" to distinguish it from the first set of reorganizational actions, identifies some of the areas which need our early attention. We have made a conscious effort to move the responsibility for these actions back into the line structure of A.I.D. Although crosscutting teams and committees will be needed to provide insight and creativity to the tasks, we need to locate specific centers of accountability for the efforts. We also need to define the time frames within which the actions should be planned and executed.

ACTION: Refine the process for design and approval of A.I.D.'s development programs and projects. Have a new, simpler system in place when the fiscal year begins this October.

Although the Agency has recently attempted to improve this process, much more needs to be done to distill procedures and enhance outputs. A.I.D.'s present process contains cumbersome, lengthy and redundant components which hamper the implementation of sound development programs/projects. The length of the project process is a function of decision-making by committee and the significant number of factors which must be considered. The project cycle is the same whether a \$500,000 or a \$20 million project is being reviewed.

We will establish a special committee by June 1 to analyze the project design and approval process and to develop specific

recommendations to make the process simpler and faster without losses in accountability or quality. The committee, chaired by the Associate Administrator for Operations, will be charged with addressing several major issues with respect to the project/program design process, including:

- Time frame and number of factors considered in designing and approving a project/program;
- Quality of process outputs and ability to measure objectives;
- Decision-making authority and value-added contributions of process participants; and,
- Number of projects reviewed, including cost-effectiveness and feasibility of larger versus smaller projects.

This committee will work in cooperation with the Center for Development Information and Evaluation to ensure that project objectives are measurable and to incorporate lessons learned from project evaluations into future project design and budget approval processes.

ACTION: Recharge the incentive system so that it rewards sound management and encourages those employees who are getting the business of the Agency done. Put changes in place by November 1, 1991.

"The achievements of an organization," Vince Lombardi said, "are the result of the combined efforts of each individual." Incentives to spur that combined effort are critical to improving the management of the

Agency. Incentives must be linked to Agency objectives and rewarded uniformly to individual personnel and organizational units for superior performance. A key part of ensuring that we speak with a unified voice on policies and procedures, develop higher morale and create a better sense of teamwork is to have an incentive system in place that accurately mirrors actual performance. This will require reforming such Agency programs as cash awards and assignments to recognize accomplishments that are in line with Agency priorities and to motivate behavior that supports Agency strategies.

A Special Committee on Incentives will be established to study and recommend to the Administrator how to improve the Agency's current incentive system. This working group will be chaired by the Agency's Director of Human Resources Development and Management. The study should address incentives and rewards currently available, incentives and rewards which should be developed, evaluation criteria and an implementation action plan. The special committee should consider the ability of the incentive system to:

- Encourage people to focus on results consistent with Agency objectives;
- Reward and recognize service, excellence, quality and innovation; and,
- Identify parameters for managers to use in evaluating performance.

ACTION: Get the Agency's technical capacities lined up with our real business: delivering development overseas.

The new Operations organization structure reduces organizational redundancy by emphasizing the need for quality, timely and cooperative interaction between the Research and Development Bureau and the other Operations bureaus. In order to succeed in this effort, the Agency needs to maximize cooperation and synergy among bureaus. Improving the quality of interbureau services, and avoiding misunderstandings between bureaus, will require that a management process be created to address:

- Delegations of responsibility and authority;
- Parameters for interaction between units;
- Definition of service levels and capacities of the research and development support unit;
- Determination of regional bureau planned technical needs, as well as some capacity for unplanned technical assistance, including the types of talents and skills that may be required; and,
- Creation of a critical mass of technical skills for the development agenda of the 1990s.

The Associate Administrator for Operations will be charged with leading an Operations unit working group to develop this process. In addition to addressing the issues listed above, the working group's recommendations should identify field technical support objectives and performance evaluation criteria. The working group will be instructed to complete its

analysis and recommendations to coincide with the implementation of the new Operations organization structure.

ACTION: Implement an integrated system of performance measurement, keeping score out in the open where Congress and the taxpayers can see how well we are doing.

At the beginning of the year the Administrator initiated a program to strengthen the role of evaluation in A.I.D. as a means of improving program and policy decision-making and enhancing the credibility of performance reporting to Congress. Beginning this process will require articulating measurable objectives and defining actionable strategies. Clearly stated objectives will allow our constituents to evaluate us more effectively.

The Policy unit's Center for Development Information and Evaluation will be responsible for accelerating development and coordination of an Agency performance information system. Current activities to implement this initiative are focusing on:

- Integrating field and regional bureau management objectives with senior management goals;
- Improving program performance monitoring by strengthening mission and other operational-level performance information systems; and,
- Developing Agency-wide program performance indicators.

CDIE is in the process of analyzing and

defining the requirements for an Agency performance measurement system. Implementation is expected to start by November 1, 1991.

ACTION: Shorten the contracting cycle and open it up to wider competition.

Procurement is a key Agency process which must be improved to provide better management control and improved responsiveness to the Agency's field missions. Shortening the procurement cycle will require improving the communication of contract requirements between contracting officers and field staff requesting contracts. By soliciting proposals from a larger set of potential contractors, the Agency can have greater assurance of procuring the best resources and, therefore, delivering the highest quality service.

A special committee, chaired by the Associate Administrator for Finance and Administration, will be established to study and recommend to the Administrator action steps for simplifying and improving the speed of the Agency's procurement process. The special committee should examine the following procurement issues:

- Size of procurement staff relative to workload;
- Competitiveness of the procurement process and the type of information given to potential contractors on upcoming procurement;
- Training programs for contracts and program officers;
- Project planning process and procure-

ment requirements; and,

- Procurement authorization requirements.

The Special Committee on Procurement should complete its report to the Administrator no later than December 31, 1991. Recommendations should specifically address required changes, cost implications of the changes and an action plan for implementation.

Conclusion

The success of the plan rests with the staff of the Agency.

Our ability to enhance the focus, effectiveness and impact of the Agency for International Development depends on renewing the Agency's commitment to excellence. By responding to the needs and expectations of our constituents with timeliness, professionalism and quality, we will not only position ourselves externally as an exceptional agency, but also create a more satisfying and rewarding work environment for our employees.

Bill Hewlett, of Hewlett-Packard, has pointed out that "Men and women want to do a good job, and if they are provided the proper environment, they will do so." Creating the proper management environment is critical to improving the quality of the Agency's service. Our management environment must emphasize and reward:

- Setting high goals and standards;

- Ensuring managerial accountability for results;
- Identifying objectives and actions which unify the Agency;
- Developing teamwork through collaboration and close professional interchange among colleagues;
- Encouraging dedication to service, high ethical standards and personal integrity;
- Encouraging respect and recognition between managers and employees;
- Encouraging risk-taking, while recognizing responsibility for results;
- Encouraging participative decision-making; and,
- Developing managers who not only contribute to successful Agency performance, but also take responsibility for developing the next generation of top-quality Agency managers.

Our success also will depend on our constituencies.

The challenging pace of change in America's relationship with the developing world is rapid and will probably continue to accelerate. This environment also demands, as never before, that all the talents and resources of A.I.D.—as well as those of our constituents and partners in international development—be used in efficient and harmonious coordination. Together we must focus attention on our ability to deliver results, while restoring administrative simplicity, flexibility and accountability to the management of A.I.D.

It is necessary and timely that A.I.D. changes the way it does business. The context for this change is positive: We want to do our jobs better.

A revitalized Agency for International Development, working in cooperation with its development partners, provides a vital instrument of U.S. foreign policy and human progress to the important and evolutionary relationship between America and the developing world. This Management Action Plan is presented as a significant contribution to that revitalization process.



Mission Statement

U.S. Agency for International Development

The Agency for International Development administers economic assistance programs that combine an American tradition of international concern and generosity with the active promotion of America's national interests. A.I.D. assists developing countries to realize their full national potential through the development of open and democratic societies and the dynamism of free markets and individual initiative. A.I.D. assists nations throughout the world to improve the quality of human life and to expand the range of individual opportunities by reducing poverty, ignorance and malnutrition.

A.I.D. meets these objectives through a worldwide network of country missions which develop and implement programs guided by six principles:

- * support for free markets and broad-based economic growth;
- * concern for individuals and the development of their economic and social well-being;
- * support for democracy;
- * responsible environmental policies and prudent management of natural resources;
- * support for lasting solutions to transnational problems; and,
- * humanitarian assistance to those who suffer from natural or man-made disasters.

A.I.D.'s mission as a foreign affairs agency of the U.S. government is to translate into action the conviction of our nation that continued American economic and moral leadership is vital to a peaceful and prosperous world.

September 14, 1990
