

THE AFRICAN DEVELOPMENT FOUNDATION

A NEW INSTITUTIONAL APPROACH TO  
U.S. FOREIGN ASSISTANCE TO AFRICA

THE DEVELOPMENT GROUP FOR ALTERNATIVE POLICIES, INC.  
(THE DEVELOPMENT GAP)  
1010 Vermont Avenue, N.W., Suite 521  
Washington, D.C. 20005



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By

Fred O'Regan

With

Steve Hellinger  
Doug Hellinger

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The Development Group for Alternative Policies (The Development GAP) is a non-profit, development resource organization that explores practical alternatives in development assistance policies, programs and projects.

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## INTRODUCTION

When the first edition of this report was published in September 1977, legislation to create the African Development Foundation (ADF) had recently been introduced in the U.S. Congress. The purpose of the report was to make the concept of the Foundation, as well as the rationale for its creation, known to policymakers and to members of the international development and aid communities. The ADF was subsequently created by Congress in 1980 as a result of strong bipartisan support for a form of foreign assistance that can be directly and efficiently delivered to local development endeavors undertaken by Africans themselves. At the present time, the Foundation awaits the naming of a Board of Directors by the President before opening its doors.

As our initial report discussed the most appropriate structure and operational framework for the Foundation, we have been asked on several occasions to update and republish the original piece. With this in mind, we have given special attention in this second edition to operational and structural options relating to the establishment of the Foundation. Our aim is to provide a document that will be useful to decision makers charged with implementing the Congressional mandate while also being of interest to those who may not yet be familiar with the background and basic concept of the Foundation itself.

For these reasons, we have retained much of the original sections which address the background and rationale for the Foundation; this

material constitutes Part I of the report. Part II focuses on the African Development Foundation as an American response to African self-development and includes discussions of a range of issues related to establishing the Foundation. The Congressional Act creating the ADF is presented as Appendix I.

A customary word on assumptions and approach should preface this report since debate upon the necessity, meaning and importance of African development spans a wide range of opinion. On one end of the spectrum is the view that worldwide economic growth is of universal value; on the other end is the belief that the material advantages of modernization are far outweighed by the concomitant loss of traditional values and culture. The former position calls for large-scale capital assistance, the latter for leaving other societies as they are. In between are found a number of variations on these two themes.

This report presumes that while economic and social change is both inevitable and necessary if Africa's growing population is to survive and prosper, the appropriate determination of the nature and pace of that change can only be made by the African people themselves. The central challenge facing a nation such as the United States thus becomes one of assisting people in doing what they need and want to do -- and in their own manner. The African Development Foundation constitutes an important step toward meeting this challenge.

## Part One: AFRICA AND THE DEVELOPMENT PROCESS

While still in the process of discarding the last vestiges of its colonial past, Africa has clearly emerged as an important partner in global affairs. The rapidity of this emergence is increasingly evident. Just a few years ago Africa remained in the minds of most Westerners a virtually unknown and distant entity -- the "dark continent". Now, on-going political, economic and military events across the continent make daily headlines.

At the same time, the United States, having played a minimal political role in Africa's colonial history and having initiated little diplomatic or personal involvement until quite recently, remains a little-known commodity among the African people. Given these circumstances and in light of the high value generally placed upon interpersonal knowledge throughout that continent, we, as Americans, are still in a position to forge with Africa's young nations and ancient societies a new and lasting set of relationships.

In this context, the question arises: How can we, as a people and as a nation, best respond to this new reality? For numerous reasons, from the diplomatic to the humanitarian, the importance of recognizing and responding to modern Africa on a more respectful and equitable basis should not be underestimated. Despite its economically less developed status, Africa is a continent of vast human and natural resources. That it will become a critical force in world affairs is inevitable. The

honest recognition that Africans are, and indeed, should be, "running the show."

Increasingly, citizens of the developing world are tiring of outside advice on how to better their own lives. In Africa, with its colonial past, this irascibility shows signs of running much deeper. No gesture, therefore, could be taken more seriously than one which demonstrates a recognition that the African people are indeed competent to determine their own life styles and solve their own problems.

The Issue of Development. In the case of Africa, the issue of development interlinks fundamentally with the strivings for self-determination and thus assumes a measure of critical significance. Again and again, leaders of extreme ideological variety have similarly struck at modern Africa's dominant theme: that self-determination cannot be fully achieved while a nation is locked into dependency relationships which are engendered by and which in turn perpetuate its "underdevelopment." To speak to Africans of a new world order is, in most cases, to speak of self-determination and the necessity of development.

As is the case with many of the economic and political institutions operating in Africa today, the predominant models of development are foreign imports, which must eventually undergo a process of "Africanization" in order to be successful. In accepting, often concurrently, contrasting development models -- both Eastern and Western, socialist and capitalist -- as part of the development assistance process, African nations are, in the long run, not necessarily choosing either. Implicitly or explicitly, they are pursuing a "syncretism" in development; that is, an emergence of diverse and authentically African developmental modes.

One cannot overemphasize the importance of this transitional period and the consequent need for the creation of diverse, adaptive, and uniquely African approaches to change. As demonstrated through the history of the Western world, it is the resulting forms of such indigenous development processes which will, in large part, determine the direction of a nation's political and economic future and, subsequently, the nature of its role in international affairs.

Conclusions on Policy. Our attempt, therefore, to establish mutually respectful relationships in Africa should be founded upon three fundamental bases. It must: 1) recognize the unparalleled diversity and transitional nature of the present African situation; 2) honestly represent, both in deed and attitude, a recognition of the competence and responsibility of the African people to determine, in the broadest possible sense, their own state of affairs; and 3) entail, to a large extent, development assistance geared toward the search for authentically African models of development.

In short, it is inevitable that Africa, as it accelerates its emergence from a colonial past, will become increasingly Africanized in all sectors of life. That this process should be assisted and not impeded is imperative in the establishment of strong, honest, and lasting relations with the peoples of that continent. Most fundamentally, support of this transition means to assist, in a responsive manner, African development processes. The remainder of this report is addressed to the question of how we may best set about accomplishing this task.

## II. Development Assistance: Our Experience and Insights

Although much time, energy, and resources have been invested in development projects and research, our knowledge of the process of development itself, particularly the engendering factors which lead to self-sustainment, remains very limited. As a result, our attempts to assist this process have not met with resounding success. Despite the transfer of vast amounts of financial, technological, and material resources and the concomitant growth of national and multilateral assistance institutions since World War II, sustained development in the Third World has proceeded at an extremely slow pace. Consequently, the gap, in terms of quality of life, between rich and poor -- both internationally and intranationally -- has continued to widen amid rising expectations. In turn, the level of tension and the susceptibility to grope at facile solutions has increased substantially.

The shortcomings of our development assistance efforts have in recent years led to a serious re-examination of the approaches and goals associated with these efforts. Some basic questions have arisen. Can the process of development be sufficiently defined and assisted on the basic assumption that economic growth is the sole objective of this process? By following the growth model, might we not be raising expectations of a standard of living unattainable by the majority of citizens in developing countries, while fostering centralized economic structures inimical to a widespread and self-sustaining developmental process? Can, and should, development be a process which precludes people from a say in the definition and planning of their own programs?

At the very least, this re-examination has suggested that we must pay greater attention to such critical factors as the distribution of benefits resulting from development, the necessity of local self-reliance and control of the process itself, and the ecological impact of imported development models. In short, our learning experience has directed us to the factors regarding the essential quality of life.

Our methods of delivering development assistance have also come under close scrutiny. By strongly relying on high capital and technological input through both bilateral and multilateral loans and sophisticated technical assistance, are we running the risk of exerting inordinate pressure on developing countries to foster capital-intensive, energy-consumptive industries ill-suited to both the employment problems and consumer needs of specific localities? While world interdependence is a reality, the growing dependence of developing nations on foreign capital and technical assistance -- as opposed to slower but more equitable and self-reliant alternatives -- poses the danger of significant long-term structural imbalances, both domestically and internationally.

Perhaps our greatest difficulty, however, has come in the attempt to reach those most in need of the benefits of the development process. Although Congress has mandated in its "new directions" legislation that every attempt be made to enlist the participation of the "poor majorities" in the development process, little progress has been made in this area. Lacking in the skills and resources needed to compete in tightly-structured social and economic systems, the marginal populations are all but guaranteed exclusion from the centralized development schemes currently in effect and the benefits they extend. So far, our assistance programs have not sufficiently addressed the problems inherent to this dilemma.

This failure to effectively reach the majority of people for whom our development assistance is intended has led to some fundamental insights regarding both the process of development itself and the most appropriate means of assisting it. Most basically, we now understand that the transfer per se of large amounts of capital and sophisticated technology are at best insufficient and, at worst, harmful factors in the development process. The corollary is that we must concentrate on the underlying social concerns of the process itself. This is not simply a statement of social justice. There is increasing evidence that, whereas the levels of local participation and commitment are significantly related to sustained success in development projects, the levels of capital and technological input per se are not.

These findings are rooted in the socio-cultural particularities of developing societies. The so-called "target" populations of our assistance tend to share characteristics uniquely related to the phenomenon of what is considered to be underdevelopment. Generally, they are members of cultural groups and/or social classes which have not undergone the enormous, but relatively gradual transformations brought about in the Western world by the advent of science and technology and the ensuing Industrial Revolution. They have not, therefore, culturally assimilated, in any universal sense, either the values or the capacities related to "progress" in the technological sense of the term.

While not implying any value judgment regarding the relative merits of differing cultural orientations, the fact remains that from the traditional perspective, the acceptance of foreign techno-

logical and economic innovations often constitutes a wholesale change in a way of life -- a one-generation social transformation. By taking our developed status for granted, we have often tended to overestimate the transferability of both the psycho-social characteristics and the technical innovations necessary for development. At the same time, we have underestimated the degree of economic and cultural risk to traditional populations in sacrificing historically stable, subsistence-level patterns of life for the uncertainties of modernity.

Increasingly, the overly centralized and inflexible patterns of modernization -- reinforced in the Third World by conventional foreign assistance programming and private investment -- have served to delimit the options of the "poor majorities" to either negotiating their survival in the "modern sphere" or remaining desperately poor. Being ill-equipped to successfully compete for the material benefit of a modernization process insufficient in its scope to support their growing numbers, and being severely limited in their access to productive resources, the world's poor face a dilemma of increasingly critical proportions. The central challenge to the field of foreign assistance must therefore involve the expansion of options to this segment of the world's population.

In summation, we now understand that if self-sustained betterment in the quality of life among those most in need is the legitimate goal of development, effective development assistance is more essentially a matter of quality than quantity. This is to say that the manner in which the essential elements of development are transferred, is as significant to success as the transfer itself. While the majority

populations of the Third World certainly share in the universal commitment to better one's own life, they have not been granted sufficient support in their attempts to build development upon the traditional social and economic strengths which they possess. Despite the recent emphasis upon intermediate or appropriate technologies, the general orientation of our foreign assistance programs has not allowed the majority of people to adapt the essential elements of development at a pace and in a manner suitable to their own particular needs. This cannot but contribute to the low incidence and low probability of self-sustained development throughout the Third World.

The implications for future development assistance policy resulting from this re-examination are both clear and far-reaching. First, our development assistance programs must be more decentralized. Smaller packages of assistance, more appropriately suited to the specific situation at hand, have been found to have much greater long-term impact than larger, more directive types of support.

Second, efforts should be made to reach the intended beneficiaries of our assistance as directly as possible. Our development experience to date has seriously brought into question the ability of large-scale international and national-level intermediaries to effectively reach and support those most in need of that assistance.

Third, the planning of development assistance policies, programs and projects must clearly reflect a more responsive posture which seeks to address particular problems arising from particular settings. The decentralization of assistance per se will not serve to increase development options unless the resultant projects are

specifically designed to complement the on-going social and economic processes of the people involved.

Fourth, and most importantly, to the maximum extent possible the direct participation of the local population should be evident in the identification, planning, implementation and overall control of development projects receiving our assistance. This point is essential, for in practical terms, the mechanism of participant control guarantees the presence of a number of factors crucial to success. They include: a local commitment to the long-term goals of the project itself (and hence its potential for self-sustainment); an appropriate "fit" or adaptation of economic and technical innovations; an appropriate (self-determined) distribution of economic and social benefits; a broad-based sharing of formal and informal project-related learning experiences; and reduced administrative costs through decentralization and local-level skill development.

### III. A Basis for African Development

After a generation of experience in development assistance, we are presently in the position to effectively translate the insights thus gained into a responsive and constructive approach to development on the world's poorest continent, one which has received relatively little American attention until quite recently. In this light, Africa's economic poverty is at least matched in significance by the strength and nature of its profoundly traditional life and structures.

Despite the centralizing influence of modernization, introduced through colonial rule and accelerated by the advent of the nation state and developmental concerns, African social and economic life may best be viewed as a broad, decentralized mosaic of localized communities, differing vastly in their ethnic, linguistic, geographical and economic characteristics. To the average citizen of Africa, living at or near the subsistence level and at best tenuously involved in the monetary economy and other aspects of the modern state, the immediate community remains as the most relevant and important source of social and economic support. While the traditional structure of community life has not afforded rapid modernization in Africa, it has provided an essential measure of strength and stability perhaps unmatched in the world.

As the legitimate center of social and economic life, however, the local community in Africa has long been overlooked in terms of its importance to development. Although a number of private and voluntary agencies -- some with public support -- have made significant contributions to community development in Africa, the mainstream of foreign assistance has remained centralized in nature, producing at best, mixed results. While development, in the conventional sense of the term, has been facilitated, it has come about through modernization being "laid over" traditional societies. Because imported technical and economic inputs have not diffused to a majority of the population, the overall incidence and probability of sustained development remains low. As a result, dependence on foreign capital,

technology, and consumer products remains dangerously high. This continuing phenomenon has justifiably produced considerably chagrin among many African leaders sensitive to the rights of self-determination on a continent still emerging from colonial rule.

Without a development pattern which increasingly allows for the active participation of the majority of the population, Africa's future presents an ominous picture. We can anticipate an increasingly centralized development process, which involves, at best, 25-40 percent of the populace, while the remaining majority's expectations continue to rise but go unmet. The end result could well involve the creation of "dualistic societies" not unlike those of Latin America, with their concomitant and seemingly endless social and political strife.

The alternative to such disaster -- a strong commitment to localized development -- is one not lost on most African leaders and their governments. From the time of independence, most African countries have initiated, in various forms, country-wide self-development schemes closely identified with self-determination and national pride. The numerous and diverse governmental attempts to reach local communities with assistance have covered a wide range of functional areas, including formal and nonformal education; agricultural education and extension services; technical training; management and administrative services; health, nutrition and family planning services, and small-scale enterprise and cooperative development.

Of further significance is the fact that whereas national governments have remained the primary source of technical and economic expertise within this process, an increasing number of private development

institutions -- local, national, and, in some case, international -- have arisen. Examples include organizations such as S.P.O.N.G. (Secretariat Permanent des Organismes Non-Gouvernementaux), S.A.E.D. (Societe Africaine des Etudes de Developpement) in West Africa, national women's federation in East Africa, various religious organizations such as national Christian councils, and national cooperatives and credit unions. A complete listing of such groups throughout the continent would demonstrate that, through the emergence of self-development initiatives and institutions, Africa has indeed begun to establish the foundations of a sustained development process in a diverse manner appropriate to the characteristics of the continent and its people. The future role to be played by non-governmental development organizations at the local level in determining and implementing legitimately African forms of development will be crucial.

#### IV. New Requirements in African Development Assistance

The importance of the self-development process in Africa calls for a new mode of foreign assistance which incorporates the insights of our past experience into the attempt to build upon the inherent strength, stability and competency of the African people. Such initiatives must take shape as part of a reorientation of our African development assistance programs -- a reorientation based upon a number of underlying considerations of particular relevance to that continent.

First, we must place much greater emphasis on the processes of

social development, i.e., on the development of the human resource and organizational capacities needed to understand, adapt, control, and carry out the economic and technical aspects of development per se.

Second, we must greatly diversify both our approach to the delivery of assistance and the types of assistance offered so that they correspond to the diversity of settings and approaches encountered in self-development projects in Africa.

Third, we must directly reach and assist innovative and forceful initiatives and institutions which will enhance the self-sustainment of indigenous development efforts.

And fourth, since we lack significant experience in this approach to development in Africa, we must discover both the diverse methods of self-development and the most suitable means of supporting them. These discoveries can only come about through an experimental "learn as you do" process and an increasing awareness of our own ethnocentric values.

As innovative as this approach to development may seem to some, the concepts embodied within it are well-known within the development community. The problem remains, as always, one of implementation, for despite the importance of self-development efforts, we have lacked the institutional mechanisms necessary to effectively support them, particularly in Africa.

The Agency for International Development (AID), our major bilateral assistance mechanism, has proven to be too large, too bureaucratic, and too constrained by diplomatic and intra-governmental exigencies

to reach local communities rapidly and flexibly with relatively small amounts of financial support. The Peace Corps, while able to effectively deliver personal assistance to the local level, lacks both the mandate and the capacity to follow up with financial and other more lasting and consistent forms of assistance which leave development squarely in the hands of its participants. Similarly, while American private voluntary organizations (PVOs) are able to provide technical assistance required by African groups, they are generally too sector-specific to apply the comprehensive and responsive approach to community-level development that is currently lacking.

#### V. The Need for a New Institution

It was out of a growing concern about this institutional gap that the creation of the African Development Foundation (ADF) was authorized by Congress in 1980. It was mandated to explore through project funding a new, responsive approach to African development and to enhance our foreign assistance program for Africa by 1) reaching and supporting numerous and forceful self-development endeavors in Africa, not currently being assisted by our larger development agencies; 2) assisting directly in the formation and growth of African public and private development institutions, which may prove to be of lasting importance in the future development of the continent; 3) strengthening the capacity of these institutions to develop productive relationships with other more conventional national and international lenders and donors; and 4) discovering, through a rigorous examination of both the methodologies of success-

ful projects and its own experience in supporting them, appropriate development assistance techniques which focus upon the critically important area of self-enablement.

## Part Two: ESTABLISHING THE AFRICAN DEVELOPMENT FOUNDATION

The purpose of this section is to discuss the essential operating features that the Foundation should embody in successfully fulfilling Congressional intent as expressed in the authorizing legislation. The task is a sensitive one, for as an innovation in foreign assistance, the ADF must be allowed to chart its own course in little known waters. The history of organizational development is replete with the failures of innovative institutions, well-conceived but subsequently choked with prescribed detail. In this respect, perhaps no greater danger confronts an institution designed to respond to what it encounters in the field than overly dictated measures of response.

Discussion of a new institution is divided into four sections: 1) organization precedents and characteristics; 2) essential operating features; 3) legal, organizational, and staffing considerations related to its creation; and 4) summary, conclusions, and recommendations.

### I. Organizational Precedents and Characteristics

Although there is no comprehensive and responsive American funding institution for local-level African socio-economic development, there have existed for some time a number of PVOs whose experiences in responsive development assistance are relevant to the formation of a new public institution to fill this gap. What first emerges from a consider-

ation of these organizations is the recognition that inroads to community-level development in Africa can indeed be made, and be made well. The wide range of community endeavors to which these groups are lending technical, personnel and/or financial support provides sufficient proof of this fact.

What also emerge are common characteristics which are shared by these organizations and which are integrally related to their success in the field. Most of these organizations are small by foreign assistance standards and hence have been able to maintain a high degree of operational and administrative flexibility. They can quickly adapt themselves and their methods of assistance to a number of different development situations. In their staffing patterns, they have taken great care to recruit competent field personnel, well-experienced in the regions to which they are assigned, and sensitive to the intricacies of cross-cultural work. The representatives of these organizations have established lasting and trusting relationships in Africa by demonstrating that their concerns are those of the people involved. This is a subtle but crucial aspect of successful local-level development.

There are also a number of aid organizations in Europe which take a responsive development assistance posture. Although a more detailed examination of such entities -- both public and private -- should be made in laying the groundwork for the organization of a complementary United States institution, their collective legal, administrative, and field experiences suggest important guidelines to be followed in this process.

First, the ADF must embody, in both principle and practice, a "hands-off" approach to development which seeks long-term change rather than short-term technical perfection. Second, it must incorporate a comprehensive development perspective which cuts through and across sectoral considerations to view development as an essentially human and dynamic process. Third, the Foundation should encompass both the commitment and the capacity required to effectively learn from the projects it assists, adapt its assistance posture accordingly, and disseminate the results of such experiences to a wide audience.

In translating these approaches into practice, the ADF must have considerable latitude. It must possess sufficient flexibility in both structure and operations to respond to a wide variety of initiatives arising from a broad array of community settings. As flexibility can only be guaranteed through autonomy, the Foundation must be free from bureaucratic, political, and diplomatic constraints if it is to fulfill its innovative mandate in a consistent manner.

There does exist one American public development institution which is of singular relevance to the design of an African Development Foundation. Created by Congress in 1969 to explore alternatives to standard development assistance approaches and operations in Latin America and the Caribbean, the Inter-American Foundation (IAF) is considered by many as the most worthwhile experiment in the history of foreign assistance. In a decade of funding, this public foundation has directly identified and assisted more than 1000 participant-controlled development initiatives which cut across multiple national, ethnic,

sectoral, and methodological lines. It has accomplished this task entirely by responding to expressed requests for funding, without becoming directly involved in any aspect of the projects themselves.

As an experimental, risk-taking organization, the IAF has not met with resounding success in every assistance venture. But in its innovative attempt to search for alternatives to development among the marginal populations of Latin America, it has established an enviable record of accomplishment. Some indications of this success are included in the following:

- o every dollar extended in assistance has been matched by local in-kind or financial contributions and/or through other national or international donations;
- o with some exception, all assisted projects have fulfilled at least the stated objectives, including administrative, financial, and managerial expectations;
- o social and economic gains among participants, as measured in conventional terms (e.g., increased employment, income, education, standard of living, etc.), have been impressive;
- o although difficult to measure, structural social and economic changes beyond the boundaries of assisted projects seem to have occurred in many cases, as indicated by the enhanced status and critical reflection capabilities among participants, as well as by the latter's increased leverage in regard to securing access to necessary resources;
- o many assisted projects and institutions, while retaining

their social process concerns, have proceeded to establish firmer organizational footing through diversifying their resource bases, tapping more conventional credit mechanisms, and reinvesting productive earnings; this, in turn, has strengthened their capacities in bargaining for further access to, and control over, developmental resources.

Having begun amid considerable doubt as to the feasibility of assisting the poor directly or through intermediary organizations primarily in the private development sector, the IAF has dramatically broken the myth that the "poor majority" cannot initiate and control a sustained development process. In doing so, it has also clearly demonstrated that an official, bilateral assistance entity can form meaningful and trusting relationships with a wide variety of groups formerly considered incapable of self-development. One of the results of this experience to date has been the initiation of a valuable learning experience regarding the methods and processes inherent in Latin American social development and the effective means of assisting it.

Some of the key elements of the IAF's operational procedures have in major part been responsible for the organization's success in the field. As they may have particular relevance for the planning of a similar institution for Africa, at least two or three of the most important are worth citing here.

Utilizing a regional team approach to decision making under the ultimate authority and direction of its President and Board of Directors, the Foundation has been able to decentralize effectively its process of

project identification, assessment, and funding, while maintaining a consistency of purpose and operations. This process has assisted, and, in turn, has been reinforced by, the responsive posture taken by IAF staff in field contacts. To avoid interfering with, or being pulled into, either the planning or implementation of projects, IAF staff is not located overseas, but rather travels frequently to establish initial and follow-up contact with proponents and grantees. Of equal importance throughout the IAF's history has been its ability, as previously cited, to establish an extensive learning capability through an examination of grantee projects and processes and to apply the knowledge gained to subsequent funding decisions.

## II. Operational Issues

There are no major barriers which would preclude the successful adaptation of this foundation model to the African context. Such an adaptation must, however, be based on a number of significant factors that distinguish Africa, and its development process, from, for example, Latin America. The most important of these are the following:

- o the much greater diversity of Africa in terms of community settings, socio-cultural structure, and languages -- both traditional and official;
- o less developed physical and economic infrastructures (in the modern sense of the term), with a correspondingly greater incidence of traditionally supportive, subsistence-level modes of living;

- o a less developed indigenous private sector engaged in development activities;
- o a lower availability of skilled personpower in technical, managerial, and administrative areas;
- o a more pervasive involvement of local and national government in most development activities, especially those involving conventional foreign assistance; and
- o perhaps less obvious concern over the actual presence of foreign nationals in development programs, but increasing sensitivity and concern about the appearance of any meddling in internal affairs.

Given these factors, it is evident that an ADF must forge its own road to success with a number of distinct and important operational characteristics. First, it must carefully but openly define and communicate its purposes to appropriate governmental entities without attempting to pursue any particular economic or social ideology. Its responsive orientation will be most valuable in this regard.

Second, it must develop the capacity to work effectively and sensitively through a wide range of intermediary channels in reaching local initiatives. On-going communication with successful development entities both in the United States and abroad will be of paramount importance in this regard.

And third, in its attempts to support such vital activities as institution building, formal and non-formal education, and technical training programs, it cannot disregard such fundamental needs as basic infrastructure and managerial skill development.

Although the specific operational options for a new institution are almost limitless, experience suggests that the most effective overall operational process for an African Development Foundation might be characterized by the following scenario. First, field representatives would initiate direct contact with local development endeavors in Africa and receive, through this process, requests for support from on-going or emerging projects. Once received, such requests would be reviewed in a fair and expeditious manner according to openly communicated criteria. Projects selected for support during the review process would be assisted quickly and appropriately according to needs determined through personal contact with grantees on a case-by-case basis. Follow-up activities for the purposes of both project accountability and the initiation of a learning process would then ensue.

Each of these aspects will receive more detailed consideration under the following headings: A. Reaching Local Initiatives; B. The Review and Selection of Projects to Support; C. Methods of Project Support; D. Financial Transfers and Follow-up Activities; and E. The Learning Experience.

A. Reaching Local Initiatives

Background. The most crucial and innovative contribution that the African Development Foundation could make would entail its delving below the surface of current development patterns in Africa to support often overlooked, local-level initiatives. As the brief examples presented in Appendix II illustrate, projects being initiated by Africans cover a wide range of development sectors. Projects may range

from marketing cooperatives for newly cultivated cash crops to a small salt-processing industry along a seacoast; from the construction of an adult literacy center to the formation of a community development organization in a newly settled housing project. Depending upon their relative size, length of existence, and resource base, such projects will also vary widely in levels of sophistication. Projects which could constructively utilize outside assistance may, for example, vary from small groups of farmers loosely organized within a traditional structure to highly coordinated technical-service organizations with new ideas on traditional methods of adopting intermediate technologies.

The roots of social development initiatives are equally diverse. Some projects seem to arise naturally as extensions of, or improvements on, everyday social and economic activities. Although such endeavors often involve the adoption of more modern technical or organizational techniques, they remain unique and important since they retain traditional structure and local control. On the other hand, there are other projects which may be directly connected to, or spun off from, larger development initiatives. Examples of this latter type would include the many community development and cooperative organizations which have arisen within industrial and housing development schemes in both urban and rural areas.

No matter how geographically or culturally isolated some projects may seem to be, they are usually connected, in one form or another, to an intermediary entity through which initial communication can be established. Such intermediaries would include churches (or missions),

local government extension offices, traditional leaders, or even individuals from certain rural communities living in larger towns or cities.

While some Americans have questioned the existence of widespread local development and effective intermediaries in Africa, the virtually unanimous response drawn from Africans queried has been, "I can show you hundreds of them." This difference of opinion is significant, for it points to the fact that within the African perspective authentic development endeavors -- particularly those emanating from traditional communities -- need not conform to "project delineations" which Western development professionals have been trained to identify. Often, emerging projects may be hard to notice until they have grown and diversified to a more recognizable status. As many of these initiatives can wither over time due to lack of support, the great contribution which can be made by a decentralized organization such as the ADF is the reaching of such initiatives with assistance in their crucial, formative stages.

Although the identification of emerging endeavors requires a certain capacity to "see the trees for the forest," the experiences of various development assistance organizations have demonstrated its feasibility and have provided valuable insights into the most effective means by which it can be accomplished.

What is called for most essentially is the ability to sift through the various intermediary entities -- organizational and individual, public and private -- whose roots extend into the community fabric.

As Americans with significant experience in Africa will testify, this is by no means an impossible task once the legitimacy of the activities in question is established.

What will be required, however, is the establishment of appropriate, trusting, and lasting relationships with both intermediaries and communities in Africa. This, in turn, will require a high degree of sensitivity in the organization's field operations. Most importantly, the ADF will have to place personnel in the field who are extremely experienced in, and sensitive to, the local conditions to be encountered in Africa. Such representatives will have to possess the capability of being naturally comfortable in a rural, traditional setting one day and in a government ministry the next. Professionals of such caliber are available, and if necessary, great effort should be made to secure their services.

It is of equal importance that direct field contact and project assistance on the part of the Foundation conform to a consistent policy of non-directedness. In gaining the necessary confidence of intermediaries (especially those in the governmental realm) and communities, it must demonstrate that these operations are simply designed to complement and assist that which is already taking place. This would be crucial to the avoidance of any harmful charges of inappropriate meddling in community affairs.

Operational Considerations. Within the context of the above-mentioned considerations, the most suitable approach in making contact with groups and projects in the field would involve the assignment of

field representatives on an itinerant basis to Africa. This would effectively preclude their direct involvement in assisted projects. The primary responsibilities of the representatives would be: to initiate contacts with appropriate governmental and private institutions; to search out development initiatives of potential relevance to the Foundation's funding criteria and purpose; to receive requests and prepare them for in-house review; and to negotiate grant agreements and coordinate follow-up activities.

The core program staff of the ADF would best operate in regional teams to facilitate the process of project identification and assessment. Such teams could be formed on the basis of geographical and/or linguistic factors. Field representatives either could be assigned specific countries or regions, or could work in tandem. The latter option might prove more helpful in the acquisition of a more comprehensive perspective on regions and projects.

Beyond these recommendations, there are a number of complementary options:

a. Regional offices in Africa. Given Africa's vast size and distance from the United States, as well as frequent difficulties in communications to and within Africa itself, the ADF might be well advised to maintain regional offices in complementary fashion to its regional team divisions. Although this move could prove valuable for reasons of cost effectiveness and maintenance of contacts, the outstationing of staff could endanger the responsive posture of the organization, create for it an inappropriately high level of visibil-

ity, and complicate the administrative and decision-making consistency which it inherently needs. Therefore, a decision on this matter would best be left until after field operations have been initiated through staff travel to the continent.

b. African national representatives. Another option that has arisen in considering the complex cultural, linguistic, and physical factors in Africa, particularly at local levels, involves securing the services of African representatives, either on a national or regional basis. Their role would be to initiate contact with local communities, identify emerging development initiatives, and provide on-going, flexible assistance to both the ADF and, where necessary, individual projects. These national representatives could work in a complementary manner with field representatives.

While this option has considerable operational value, especially in regard to identifying projects, the responsibilities of these representatives would have to be clearly delineated in the areas of project selection and funding decisions. Otherwise, they could be placed in compromising positions in cases where they have political, ethnic, or community ties. Again, a decision on this option would perhaps best be made after field operations have been initiated.

B. The Review, Assessment, and Selection of Projects for Support Background. As a small institution with limited resources to spread among many potentially effective endeavors over a vast continent, serious consideration should be given to both the process and criteria of the Foundation's project review, assessment, and selection activities.

This is particularly important given the fact that, as a responsive funder, the ADF would be involved neither in programming nor ear-marking resources for particular regions or development sectors.

There are three factors which should govern its review and selection processes: fairness, openness, and expediency. The first two factors require the careful adoption and open communication of assessment criteria. The third constitutes a critical requirement in effective development assistance, for although emerging initiatives and institutions do not usually require large amounts of assistance, they do need it quickly if they are to survive and grow. If a decentralized review process is sufficiently comprehensive and consistent to ensure fairness and accountability, an ADF should be able to reach final decisions on funding requests within three months of their receipt. This capability, in and of itself, would be an innovation of major importance in our support of African development.

Operational Considerations. A more detailed examination of these processes will be made in three parts: a) the review process; b) the project proposal format; and c) selection criteria.

a. The review process. Given competent staff and a high degree of flexibility in field operations, the review process could be greatly expedited. For example, the organization's field representatives would not usually encourage the submission of funding requests from groups whose projects do not demonstrate some measure of congruence with the ADF's selection criteria. Once requests are submitted, fair and rapid appraisal could be facilitated through a three-level review process,

consisting chronologically of the regional team (including field representatives and project analysts), the president of the Foundation, and the Board of Directors. The Board could further decentralize the process by delegating project selection responsibility over time to the President and ultimately to the regional teams, according, perhaps, to the amounts of assistance requested.

b. Project proposal format. As a high degree of literacy need not be postulated for success in development initiatives, particularly among traditional populations, those communities and organizations requesting funding should not be required to submit detailed written proposals for support in all cases. Field representatives should be able to solicit in the contact process the information necessary to draft in-house project summaries for review. Where possible, written requests for funding should certainly be encouraged.

In all cases, however, both the review process itself and subsequent follow-up and learning activities would be greatly facilitated by the in-house drafting of project proposals according to a consistent format. Designed to provide both simplicity in presentation and comprehensiveness of detail, such a format could be constructed along the following lines.

Project background: Includes information on both the overall context out of which the project has arisen and the organizational and/or community factors specifically related to the entity that is to carry out the project.

Rationale: Includes those general reasons that exist for supporting such a project; i.e., what, in the overall sense, would consequently be changed -- physically, socially and economically -- and why?

Objectives: What specific things are to be accomplished in the endeavor itself, and over what period of time? These would include physical, economic, social and educational accomplishments.

Work plan or methodology: Includes information on how the objectives cited are to be met or what specific steps are going to be taken to execute the project.

Support needs: How much and what type of assistance is being requested? Includes budgetary information and potential matching resources that are being contributed by project participants and other sources.

Additional factors: What type of special arrangements, including those involving intermediaries and local governments, need to be made? What external factors may play a significant role in determining the outcome of the project? What ecological impact is foreseen?

Analysis: Review and comments of in-house staff on the project in question plus additional, outside analysis, if necessary.

c. Project selection criteria. The most notable factors to be considered in addressing this question are the great diversity in

projects to be reviewed and the equally diverse and manifold social, economic, and environmental contexts out of which they have arisen. The following list of criteria represents an initial attempt to outline some project characteristics which appear to be consistent with the purposes of a foundation of this nature. They are:

- o a significant degree of self-initiated participation and control over the project process by the people most essentially involved in its execution;
- o a direct and equitable involvement of low-income people lacking access to required resources;
- o an equitable sharing of the benefits to be accrued through its success;
- o a significant potential for the advancement in participant learning and understanding of the development process that would be directly attributable to the project itself;
- o a strong potential for the attainment of project self-sustainment, increased self-reliance among the project's participants, and the enhancement of local institutional capacity;
- o a high degree of probability that the impact of the project will extend beyond its own boundaries;
- o a high degree of probability that the methodology employed in the project could be disseminated and replicated elsewhere;
- o the presence of a sufficient level of technical competence to support implementation of the project; and

o a sufficient indication of the ecological soundness of the development project.

C. The Support of Projects.

Background. Of singular importance in the approach to development assistance embodied in the African Development Foundation is the ability to determine, on a case-by-case basis, the specific support needs of projects and the means by which appropriate assistance can be extended to them in a "hands-off" manner. As self-initiated projects vary widely in their support needs, personal contact by field representatives allow them the opportunity to directly assess and determine, together with project participants, the amount and type of assistance required. This determination should reflect, in large part, the absorptive capacity of the project under consideration -- in terms of its type, size, and level of administrative and managerial capability. Once such determinations are made and approved in the review process, assistance of the appropriate type of magnitude can be provided quickly and effectively.

While the most appropriate and probably most useful type of support that a foreign foundation can provide to self-development initiatives is direct financial assistance, serious consideration should also be given to the possibilities of extending technical assistance. The decision is an important one, for there is little doubt as to the necessity of technical support in Africa. This support is of particular need in just those functional areas -- management and administration, agriculture, small-scale enterprise and

industrial development, small-scale infrastructural development, etc. -- within which the ADF is likely to provide financial assistance. This consideration notwithstanding, it would seem clearly inappropriate for the Foundation to assume such a direct role in the projects it assists, for this would require the development of additional capacities and programming directions antithetical to its responsive mandate.

Perhaps the most appropriate type of involvement in this regard would consist of providing financial assistance to projects for the procurement of this technical advice, thus leaving decisions as to the type of assistance needed and its source up to the participants themselves. While an important role could be played in securing outside technical assistance when such services are not available locally, the initiation of institutional relationships may best be accomplished directly in the field on a project-by-project basis, rather than through prior inter-agency agreements. Again, this would protect the non-directive nature of the assistance provided.

Operational Considerations. Financial aid itself should be specifically suited in type and size to a particular project and extended with few, if any, strings attached. The ADF should thus have the flexibility to provide various types of untied aid. The forms of financial transfer that have been most strongly considered, and which will subsequently be discussed under separate headings are: grants, loans, and loan guarantees.

a. Grants provide the most flexible and direct means of financial assistance since they can provide catalytic support to

virtually any type of development initiative, regardless of size, objective, relative sophistication, or methodology. They also constitute the simplest transfer mechanism in terms of management, administration, ease of arrangement, and accountability.

This mechanism would prove to be particularly suitable for support of projects in a number of areas including: organizational and institutional development; formal and non-formal training and educational programs; medical, nutritional, and other programs providing social services; research activities; and small-scale technical services programs at the local level. These are essentially non-productive activities in the conventional sense and hence do not generate funds for repayment in the short- or medium-term.

The only drawback to grants is that they do not inherently compel resource commitments on the part of the local participants. If, however, local participation and commitment to the project are important criteria in project selection, evidence of local resource commitment, both monetary and otherwise, should be present before a grant is made. In this regard, it is interesting to note the high levels of matching funds cited by the Inter-American Foundation and other grant-making institutions in their involvement with local-level projects.

b. Loans have been found to be of consistent value in development settings in which there exist sufficient levels of organizational and economic infrastructure upon which to build. This infrastructure is necessitated by the exigencies of cost recovery which render loans

both less flexible than grants and more troublesome in terms of management and accountability. In the appropriate circumstances, however, this mechanism provides a means of extending necessary capital to relatively large groups of people.

Consistent with its "gap funding" mandate, the ADF could make valuable catalytic use of the loan mechanism by extending credits at little or no interest to communities and institutions which would otherwise not receive funds through conventional financial and development organizations. In this way, loans could be effectively used to support a variety of productive projects, including rural and agricultural development projects, cooperative ventures of various types, the development of small-scale enterprises, and some aspects of small sites and services and other housing programs. On the other hand, grants could be used just as, if not more, effectively in these areas by providing seed capital to a revolving loan fund controlled at the local level for the support of productive activities.

c. Loan guarantees provide an additional means of extending non-directive financial support to large numbers of people without placing any administrative burden upon them. Poor people are often not extended credit due to their lack of collateral and are thus denied capital to expand production, marketing and other capabilities.

Since local banks will not extend loans to such "high-risk" populations, the ADF, through various arrangements, could guarantee loans from local financial institutions to a specific area or project. As both the lending and cost-recovery operations are assumed by the local bank

or another financial institution, this process involves no administrative burden to either the assisting entity or to the beneficiaries.

Loan guarantees can be arranged in a number of ways, including the underwriting of bank loans through, for example, the placing of non-interest-bearing deposits with such institutions sufficient to cover possible losses. The disadvantages, however, of loan guarantees are at least two-fold. First, since they are administered through indirect channels, they do not encourage the establishment of participatory development organizations needed to plan and sustain long-term development goals. Second, they may require the tying up of relatively large amounts of capital which might otherwise be put to more direct use.

As loan guarantees require a relatively high level of organizational infrastructure to be effective, a careful appraisal would have to be made in specific situations before they are extended. As with other options that would be open to the ADF, a "wait-and-see" approach should perhaps govern their adoption.

#### D. Financial Transfer and Follow-Up

The ADF would undoubtedly encounter numerous projects -- particularly within traditional communities -- which demonstrate effective approaches to self-development but lack sophisticated management and accounting procedures usually deemed necessary in the direct transfer and subsequent utilization of funds. This constraint can be overcome without major difficulties, since some type of local institution -- such as a school, hospital, mission, or bank -- can usually assume responsibility for handling transferred funds. Arrangements for such

transfers could be made either by the project group itself or by field representatives. As such situations place intermediaries in very sensitive areas of a project, assurances would have to be given that overall responsibility for the project -- and the use of its funds -- would remain with the people most directly involved in the development endeavor.

Perhaps the best choice would be to encourage as many project proponents as possible to adopt simple accounting procedures and thereby be able to control their own funds. Where necessary, managerial assistance and/or training could be provided either by local institutions or by African field representatives (if this option is exercised). Grant agreements should, of course, be prepared and signed by all parties involved in a project, including any intermediary groups. In the event that follow-up visits or communications uncover either gross mismanagement or obvious deception, grants could simply be cut off. Audits should be required on all grants and loans, and could be carried out through contract arrangements with African accounting firms on either a national or regional basis.

#### E. The Learning Experience

Background. As an innovative institution created to break new ground in directly assisting self-development activities in Africa, the African Development Foundation would be in a position to acquire important knowledge regarding the fundamentally common aspects of the projects it assists and the most suitable means of assisting them. The initiation of learning and evaluative activities

within a responsive development assistance entity presents a unique opportunity to base the process on the learning experiences of Africans themselves. This innovative orientation is important for reasons of both common sense and empirical accuracy.

Conventional evaluative research in development has long been characterized by lengthy and expensive ex post facto hypothesis-testing studies whose complexity has precluded a high degree of involvement among project participants in the selection of evaluative criteria and the preparation of the evaluation study itself. The first problem with such an approach relates to the fact that resources allocated for studies of this type have not facilitated a learning experience among those who could most appropriately gain from it. A second problem involves the empirical relevancy of the studies themselves, for if a particular piece of research is to be sound and reliable, it must be both rigorous in terms of method and important in the sense that it addresses itself to problems and consequent findings of singular relevance to the situation at hand. Since the participants in a development project are in the best position to assess both the meaning and the importance of all the process in which they are involved, the reliability of overall evaluations not based upon their understandings of development must be seriously questioned.

By carefully assessing the importance of participation in both implementation and evaluation, the ADF could initiate a learning process that would be of lasting value to itself, to other development entities, and, most importantly, to Africa. This process would

involve two distinct phases: 1) the meaningful abstraction from, and evaluation of, projects by their participants and 2) the analysis of such expressed learning experiences by both the ADF and other, principally African, organizations and individuals.

Two underlying assumptions govern the feasibility of this approach: first, that Africans can indeed provide meaningful insights into their own development process, and, second, that the ADF could generate an atmosphere of trust in its relations with grantees that would allow them to provide such insights in a forthright manner. As too little an attempt has been made to meaningfully involve Africans in either the process of self-development or that of self-evaluation, there is little evidence to indicate that they cannot effectively carry these out, especially if they are provided frameworks relevant to their needs. In creating relationships in a non-directive manner, the ADF should be able to establish an understanding with project participants that its support is not contingent upon absolute success in all phases of a project and that open and honest reflection on both the drawbacks and gains of a particular project is of vital importance to their own efforts.

Operational Considerations. The learning format discussed in this section represents one feasible approach to implementing the criteria cited above; there are, of course, many paths that could be taken in this regard.

The conceptualization and communication by participants of the objectives and work plan (i.e., methodology) of a project, in how-

ever simple or complex a manner, may be taken as the basis of a learning process. As part of the grant agreement and follow-up process, participants could be encouraged or required to carry-out a continual self-assessment process in their own manner and to communicate progress reports (in written or oral form) on a timely basis. A simple but expressive format for this purpose might address itself to two fundamental sets of questions: 1) Are the goals which were cited in the funding request being met according to plan? If so, what factors seem to account for this? and 2) If the goals are not being satisfactorily achieved, what went wrong? By introducing such simple but universally relevant questions, the Foundation would be encouraging the adoption of self-assessment systems based on continuing reflection upon the relationship between methods (i.e., work plans) and goals in development.

From the Foundation's standpoint, this process, together with the project proposal format, would make available in a consistent form, process information on a wide variety of self-development projects. The ADF would then be able to proceed with its own learning experience in a number of ways. By extracting commonalities of structure, method, and approach from a number of successful projects, it could attempt to piece together important organizational and methodological characteristics or indicators of success in African self-development. By then rigorously testing the reliability of such indicators with the assistance of African scholars, it could greatly strengthen its own project identification, selection, and assistance procedures.

in its early stages. Given a five-year mandate in 1980 -- enough time to demonstrate initial feasibility -- an annual appropriation of \$10 to \$15 million by 1985 should prove adequate for project support. Of great importance in the appropriation process is the matter of long-term resource accessibility. In attempting to respond patiently and consistently to diverse development projects in Africa, such an institution should not be burdened with the problems inherent in annual appropriation struggles, cyclical budgetary constraints, and prior allocation processes. The initial appropriations for the ADF were made available to it on this basis.

Board of Directors. To ensure accountability, consistency, and autonomy, Congress mandated that the President appoint, and the Senate confirm, a seven-member, independent Board of Directors for the ADF. Five of the Directors are to be from the private sector and two from the public sector. Logically, the latter would be selected from among government officials in the area of African affairs.

The choice of Board members is crucial; thus careful attention must be paid to their qualifications. In recognition of this need, Congress explicitly mandated that the Board members "...be appointed on the basis of their understanding of and sensitivity to community level development processes." (See ADF legislation, Appendix I).

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Given the potential consequences of ineffective and/or misdirected leadership, it is important that a comprehensive search for qualified appointees be undertaken before final recommendations are made to the President. If the ADF Board is free of special interests, protects the autonomy of the institution, and hires a President and staff

experienced in working among the poor in Africa, the prospects of the Foundation's success will be greatly enhanced.

Selection of a Chief Executive. The search for the president of the ADF must be thorough, since the individual selected will be a critical factor in the relative success of the organization. In addition to selecting and building an appropriate staff, the chief executive must also chart an innovative diplomatic and operational course in foreign development assistance. In large part, the success of this foundation, both in determining the correct initial paths to follow and in being able to establish an atmosphere of trust in Africa, would depend upon the integrity and ability of its president.

This position will undoubtedly require a truly unique combination of skills. The person selected must have superior knowledge and experience in African community development, while possessing dynamic abilities in leadership, administration, and diplomacy. Above all, he or she must be a person of impeccable reputation and deep personal commitment to Africa.

The Board of Directors would do well to arrange for an independent talent search to fill this position. This would be wise for two reasons. First, since qualified candidates are not necessarily well-known in diplomatic or development circles, the recruitment and selection process should be exhaustive. Second, an objective search and review process would help ensure that politics would play no role in the selection of a person for this highly unique and sensitive position.

The Selection of Core Staff. Any organization is only as effective as its personnel. In the case of a decentralized entity such as the ADF, this maxim is crucially relevant -- especially as it regards field representatives. While the Foundation's core staff would have to meet the basic qualifications of language and professional ability required to initiate normal operations in the field, the organization's ultimate effectiveness will in large part be determined by the extent to which this staff can bring to its task the "extra dimension" necessitated by its responsive operating style. This added dimension most fundamentally consists of a keen understanding of, and sensitivity and commitment to, African people and their inherent process of development. As intangible as these qualities may seem, they are critical in any attempt to initiate and maintain trusting relationships across the African continent.

The selection of field representatives should therefore be based upon two essential criteria: significant development experience at the community level in Africa and a demonstrated commitment to innovative, participatory development processes, again at the community level.

Personnel Procedures. The African Development Foundation should be exempt, for a number of reasons, from Civil Service personnel regulations. Recruitment for such specialized and innovative jobs as the ADF would offer would require considerable latitude. Civil Service procedures, however, can often make it difficult to fill such positions with appropriately skilled and sensitive staff. They may also make it difficult to terminate or transfer individuals from sensitive field positions in the event their performances prove insufficient for the

delicate task at hand.

As a creative venture in foreign assistance, the Foundation would also undoubtedly acquire a growing thirst for new ideas, insights, and understandings. It may therefore wish to foster staff turnover for the purpose of continually gaining new perspectives. This could be accomplished, for example, by limiting employment to terms say, five to six years, as some organizations, such as the Peace Corps, have done. These terms could perhaps be renewable. Furthermore, in light of the criticism of pay scales in some development assistance organizations, the ADF may wish to set salaries at a level which, while sufficient to attract talented individuals, would also be reflective of the nature of anti-poverty work. Civil Service regulations would again prove difficult in this regard. For these reasons, consideration should be given to alternative personnel systems, such as that adopted by the Peace Corps.

TITLE V—AFRICAN DEVELOPMENT FOUNDATION

SHORT TITLE

SEC. 501. This title may be cited as the "African Development Foundation Act".

FINDINGS

SEC. 502. The Congress finds that—

- (1) social and economic development ultimately depends on the active participation of individuals within a society and on the enhancement of opportunities for those individuals;
- (2) the development of individuals and institutions in African countries can benefit by the provision of support for community-based self-help activities;
- (3) by enacting title IX of chapter 2 of part I of the Foreign Assistance Act of 1961, and recent amendments to that Act, the Congress has sought to enable the poor to participate in the process of development;
- (4) the Inter-American Foundation, established by Congress in the Foreign Assistance Act of 1969 to support the efforts of the people of Latin America and the Caribbean to solve their development problems, has demonstrated a successful approach to development; and
- (5) an African Development Foundation similar in structure to the Inter-American Foundation, but adapted to the specific needs of Africa, can complement current United States development programs in Africa.

ESTABLISHMENT

- SEC. 503. (a) There is established a body corporate to be known as the "African Development Foundation" (hereafter in this title referred to as the "Foundation").
- (b) The Foundation shall establish a principal office in the United States and may establish such branch offices in Africa as may be necessary to carry out its functions.

PURPOSES

- SEC. 504. (a) In order to enable the people of African countries to develop their potential, fulfill their aspirations, and enjoy better, more productive lives, the purposes of the Foundation shall be—
- (1) to strengthen the bonds of friendship and understanding between the people of Africa and the United States;
  - (2) to support self-help activities at the local level designed to enlarge opportunities for community development;
  - (3) to stimulate and assist effective and expanding participation of Africans in their development process; and
  - (4) to encourage the establishment and growth of development institutions which are indigenous to particular countries in Africa and which can respond to the requirements of the poor in those countries.

96TH CONGRESS } HOUSE OF REPRESENTATIVES } REPORT  
2d Session } } No. 96-1471

INTERNATIONAL SECURITY AND DEVELOPMENT  
COOPERATION ACT OF 1980

NOVEMBER 20, 1980.—Ordered to be printed

Mr. ZABLOCKI, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 6942]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6942) to authorize appropriations for the fiscal year 1981 for international security and development assistance, the Peace Corps, and refugee assistance, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1980".

(b) The Foundation shall carry out the purposes specified in subsection (a) in cooperation with, and in response to, organizations indigenous to Africa which are representative of the needs and aspirations of the poor in Africa and, in carrying out such purposes, the Foundation shall, to the extent possible, coordinate its development assistance activities with the activities of the United States Government and private, regional, and international organizations.

#### FUNCTIONS

SEC. 505. (a)(1) In order to carry out the purposes set forth in section 504, the Foundation may make grants, loans, and loan guarantees to any African private or public group, association, or other entity engaged in peaceful activities for—

(A) the fostering of local development institutions and the support of development efforts initiated by communities themselves;

(B) the development of self-evaluation techniques by participants in projects supported under this section, for the purpose of transferring experience gained in such projects to similar development activities;

(C) development research by Africans and the transfer of development resources, expertise, and knowledge within Africa;

(D) the procurement of such technical or other assistance as is deemed appropriate by the recipient of such grant, loan, or guarantee, to carry out the purposes of this title; and

(E) other projects that would carry out the purposes set forth in section 504.

(2) The total amount of grants, loans, and loan guarantees that may be made under this section for a project may not exceed \$250,000.

(3) The Foundation may disseminate to the American public and to United States and multilateral development institutions insights gained from African development projects assisted under this title.

(b) In making grants, loans, and loan guarantees under subsection (a), the Foundation shall give priority to projects which community groups undertake to foster their own development and in the initiation, design, implementation, and evaluation of which there is the maximum feasible participation of the poor. Where appropriate and in keeping with the purposes of this title, the Foundation may make such grants, loans, and loan guarantees to African entities which are representative and knowledgeable of, and sensitive to, the needs and aspirations of the poor and which would disburse funds acquired under such grants, loans, and loan guarantees to other African entities to carry out the purposes of this title.

#### POWERS

SEC. 506. (a) The Foundation, as a corporation—

(1) shall have perpetual succession unless dissolved by an Act of Congress;

(2) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction;

(3) may adopt, alter, and use a seal, which shall be judicially noticed;

(4) may prescribe, amend, and repeal such rules and regulations as may be necessary for carrying out the functions of the Foundation;

(5) may make and perform such contracts and other agreements with any individual, corporation, or other private or public entity however designated and wherever situated, as may be necessary for carrying out the functions of the Foundation;

(6) may determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid, including expenses for representation not exceeding \$10,000 in any fiscal year;

(7) may, as necessary for carrying out the functions of the Foundation, employ and fix the compensation of not to exceed the following number of persons at any one time: 25 during the fiscal year 1981, 50 during the fiscal year 1982, and 75 thereafter;

(8) may lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with such property (real, personal, or mixed) or any interest therein, wherever situated, as may be necessary for carrying out the functions of the Foundation;

(9) may accept gifts or donations of services or of property (real, personal, or mixed), tangible or intangible, in furtherance of the purposes of this title;

(10) may use the United States mails in the same manner and on the same conditions as the executive departments of the Government;

(11) may, with the consent of any agency of the United States, use the information, services, facilities, and personnel of that agency in carrying out the purposes of this title; and

(12) shall have such other powers as may be necessary and incident to carrying out this title.

(b) The Foundation shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of any of its directors, officers, or employees, and such revenue, earnings, or other income or property shall only be used for carrying out the purposes of this title. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his or her personal interests or the interests of any corporation, partnership, or organization in which he or she is directly or indirectly interested.

(c) The Foundation, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, by any territory or possession of the United States, or by any State, county, municipality, or local taxing authority.

(d) Upon termination of the corporate life of the Foundation its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

#### MANAGEMENT

SEC. 507. (a)(1) The management of the Foundation shall be vested in a board of directors (hereafter in this title referred to as

the "Board") composed of seven members appointed by the President, by and with the advice and consent of the Senate. The President shall designate one member of the Board to serve as Chairperson of the Board and one member to serve as Vice Chairperson of the Board. Five members of the Board shall be appointed from private life. Two members of the Board shall be appointed from among officers and employees of agencies of the United States concerned with African affairs. All members of the Board shall be appointed on the basis of their understanding of and sensitivity to community level development processes.

(2) Members of the Board shall be appointed for terms of six years, except that of the members first appointed, as designated by the President at the time of their appointment, two shall be appointed for terms of two years and two shall be appointed for terms of four years. A member of the Board appointed to fill a vacancy occurring before the expiration of the term for which that member's predecessor was appointed shall be appointed only for the remainder of that term. Upon the expiration of his or her term a member shall continue to serve until a successor is appointed and shall have qualified.

(b) Members of the Board shall serve without additional compensation, but may be reimbursed for actual and necessary expenses not exceeding \$100 per day, and for transportation expenses, while engaged in their duties on behalf of the Foundation.

(c) A majority of the Board shall constitute a quorum.

(d)(1) The Board of Directors shall appoint a president of the Foundation on such terms as the Board may determine. The president of the Foundation shall receive compensation at a rate not to exceed that provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(2) Experts and consultants may be employed by the Board as authorized by section 3109 of title 5, United States Code.

(e)(1) The Board shall establish an advisory council to be composed of such number of individuals as may be selected by the Board from among individuals knowledgeable about development activities in Africa. The advisory council may include African recipients of grants, loans, or loan guarantees under this title.

(2) The Board shall, at least once each year, consult the advisory council concerning the objectives and activities of the Foundation.

(3) Members of the advisory council shall receive no compensation for their services but may be allowed travel and other expenses in accordance with section 5703 of title 5, United States Code, which are incurred by them in the performance of their functions under this subsection.

#### GOVERNMENT CORPORATION CONTROL ACT

SEC. 508. The Foundation shall be subject to title I of the Government Corporation Control Act.

#### LIMITATION ON SPENDING AUTHORITY

SEC. 509. Any authority provided by this title involving the expenditure of funds (other than the funds made available pursuant to section 510) shall be effective for a fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

#### USE OF CERTAIN FUNDS

SEC. 510. Of the funds appropriated for the fiscal year 1981 to carry out part I of the Foreign Assistance Act of 1961, other than funds appropriated for the Economic Support Fund, \$2,000,000 shall be used to carry out this title.

#### EXPIRATION OF AUTHORITIES

SEC. 511. The authority of the Foundation to make grants, loans, and loan guarantees and otherwise to carry out the purposes of this title shall expire on September 30, 1985, except that this section shall not preclude the Foundation from acquiring obligations prior to that date which mature subsequent to that date or from assuming liability prior to that date as a guarantor of obligations which mature subsequent to that date or from continuing as a body corporate and exercising any of its powers subsequent to that date for purposes of the orderly liquidation of its activities.

#### TITLE V—AFRICAN DEVELOPMENT FOUNDATION

The House bill provided for the establishment of the African Development Foundation to channel small amounts of development assistance to local community groups and institutions in Africa to support indigenously initiated and administered development projects.

The Senate amendment had no comparable provision.

The conference substitute (sec. 501-511) incorporates the House provision with an amendment that: Deletes from section 504(a) of the bill the all-encompassing authority to "improve the quality of life of all Africans"; requires the Foundation to the extent possible, to coordinate its development assistance activities with those of the U.S. Government, and private, regional, and international organizations; insures that the Foundation confines its efforts to support for entities engaged in peaceful activities; limits the total number of employees to no more than 25 the first year, 50 the second year, and 75 the third year, and thereafter; reduces the funds available to the Foundation for fiscal year 1981 from \$5 million to \$2 million; and provides that the provisions of this title shall expire on September 30, 1985. This last provision will give the Foundation time to begin its work, but will require review and affirmative congressional action in order to continue its activities.

## APPENDIX II

### Project Examples

The following projects are a representative sample of the many African self-development ventures which have come to our attention during the course of preparing this report. Some of the groups cited are development organizations already established in their operations, while others are still emerging endeavors. All are meant to serve as examples of what could be readily supported by an African Development Foundation. Africans and Americans who have been in the field for many years calculate that there are hundreds of projects similar to these throughout Africa.

S.P.O.N.G. (Secreteriat Permanent des Organisms Non-Gouvernementaux) is a private development consortium in Upper Volta with over twenty member organizations. S.P.O.N.G. represents the private sector in determining national development policies in Upper Volta, and has recently established a technical office through which it hopes to expand direct services in the areas of project planning, community development, development sociology, and hydrology.

The Botswana "Ipelegeng" Movement. Like many other African countries, Botswana has long had a nationwide community development program which assists local groups in physical, social, and economic self-improvement. "Ipelegeng" means to "lift yourself upward."

With minimal financial and material assistance, a wide range of community ventures have evolved throughout Botswana. They include the construction of schools and clinics, health training programs, small business ventures, and a number of agricultural and marketing cooperatives. These diverse projects -- many of which could engender the formation of local private development organizations -- offer numerous opportunities for direct support.

The National Christian Council of Kenya Women's Project of Mombasa is a venture by a consortium of ten women's groups which produce tie and dye fabrics, clothing, and jewelry. The project is controlled by the participating women, who have also formed a marketing outlet called "ToToTo" through which they are exporting their hand-make products. As a growing concern, this endeavor could be greatly assisted by the infusion of a small amount of capital to expand production and marketing capabilities.

C.O.N.G.A.T. (Conseil de Coordination des Organismes Non-Gouvernementaux en Activité au Togo) is a private consortium in Togo, which operates in somewhat similar fashion to S.P.O.N.G. It is recognized by the Togolese government as the official representative of private development agencies within the country. Aside from its policy role, C.O.N.G.A.T. organizes numerous regional meetings of local farmer and village organizations to discuss development problems and plan appropriate solutions. It also publishes a directory of private development projects and provides technical services in project planning and management. It hopes to expand both its outreach and technical service functions in the near future.

Rural Village Cooperative in Dar-es-Salaam, Mauritania. In the Village of Dar-es-Salaam, near Rosso, Mauritania a small group of people have recently formed an agricultural cooperative with a small amount of material assistance from a neighboring, successful cooperative across the Senegal River. This is a good example of the natural diffusion of development knowledge which can be facilitated by catalytic project support and subsequent learning processes. This particular project also exemplifies the type an ADF might choose to assist, for although class status has long been noted as inflexible in Mauritania, all of the co-op members in Dar-es-Salaam share equally in work, profits, and membership rights. This particular co-op could use financial assistance from a foundation for the purchase of tools and additional materials.

The Ashanti Land Movement Scheme. This project is an attempt by a local youth group in Ghana to clear and re-cultivate an abandoned colonial estate for the purpose of increasing both staple and cash crop production. Assistance is needed to purchase additional tools, seeds, and fertilizers.

The Bobo Dioulasso Fruit Cooperative. In Southwestern Upper Volta, much of the annual mango crop spoils due to lack of storage and processing facilities. The local marketing cooperative in Bobo Dioulasso has attempted for some time to obtain funding to construct and equip a small refrigerated warehouse and a production plant to process and can mango jelly and chutney. They still need financial assistance.

A Floor Tile Production Co-op in Cameroon. In Doula, Cameroon, an African nun, trained in ceramic design in Spain, has organized local teenagers into a small floor tile production cooperative. The tiles are uniquely designed and mostly hand-produced. Despite a substantial backlog in orders, the co-op has not been able to secure credit and, thereby increase its production to meet demand. The potential effectiveness of a small loan to this type of project is obvious.





