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Our wasted foreign aid

In 1974, Secretary of State Henry Kissinger called upon the world's rich uncles, led by Uncle Sam, to guarantee that "in a decade's time no child should go to bed hungry."

Today the decade is nearly up and an average of 40,000 children die every day from hunger or disease, according to UNICEF. Despite \$66 billion in American economic aid pumped overseas in the last 10 years, serious malnutrition afflicts 500 million people, one of every nine on earth.

"We couldn't make the Great Society work in the U.S. for \$1 trillion, much less save all of Africa for \$150 million a year," says an American foreign aid officer in the Ivory Coast. "There's a lot of frustration."

Adds Herbert L. Beckington, inspector general of the Agency for International Development, "There is a great deal of disappointment in our foreign



aid program, a feeling that it doesn't accomplish what we've set out to do."

In fact there's rampant disenchantment. When a pollster asked Americans last year to list the biggest foreign policy problems facing the United States, the need to reduce foreign aid outranked relations with the Soviet Union, the arms race and even the threat of nuclear war.

What went wrong? How did the noble ambition of saving the poorest of the poor unravel into the most begrudged federal program in America? Why has the most fertile farm power on earth — the United States — found so few answers to the enigma of world hunger?

This week *The Kansas City Times* looks at these issues — and the often jarring blunders behind them — in the unfulfilled promise of American foreign aid.

First of six parts

U.S. can't buy success in Third World

By Rick Atkinson
National Correspondent

MOPTI, Mali — The Niger River leans northward here toward Timbuktu, clipping the Sahara before wheeling south again. Baobab trees as thick as redwoods spike the landscape, and Fulani herdsmen shamble to market with long-horned cattle whose prominent bones bespeak the drought that never quite quits.

In the dust and destitution of this West African vista lies one of countless battlefields in the war against world hunger where the good fight

was fought badly.

Seven years ago the United States agreed to finance an elaborate project to teach Malian farmers better techniques for planting, weeding, fertilizing and rotating crops. Wells would be dug, warehouses built, blacksmiths trained, roads constructed, research launched. Food production would blossom so dramatically that within five years the project would support itself.

Today Operation Mills Mopti lies in ruins. Of 18 warehouses planned, according to U.S. government audit

records, five were not built, three were not finished, three collapsed and the roofs of two blew off. Of the other five, at least three had serious structural flaws and were beginning to crumble.

Of 43 project vehicles, including Land-Rovers and International Harvester Scouts, eight are wrecked, six are junked, five are inoperable and eight have been sold for a fraction of their purchase price. The spare-parts inventory was maintained so poorly that "in some cases it had to be literally dug

A Malian woman sings while pounding millet, a common grain in Africa, into meal, top. Bags of bulgur wheat destined for Africa are packed at a mill in Crete, Neb., above.

out with a shovel." Less than one-third of the planned road was built, and that already is deteriorating.

The project, one auditor says, was "an accounting nightmare" plagued by missing records, sloppy book-

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keeping and suspected embezzlement. Project officials spent \$4,900 for a mural made of millet grain and titled "La Jardiniere" (The Gardener), which was hung in a toilet. Sixty-two oxen were purchased for twice their market value, as were 1,730 watering cans, most of which remain in a warehouse because farmers won't pay the inflated price.

American investigators say at least 100 million Malian francs (about \$140,000) is missing. The Malian project director, his financial officer and the cashier all have been arrested. Last winter Washington pulled the plug on Operation Mills Mopti by refusing to provide any more money, despite protests from American officials in Mali.

In addition to being "overly ambitious and poorly designed," the project suffered because management supervision by the U.S. Agency for International Development "was nearly non-existent for the first four years of the project," according to an audit dated May 3, 1983.

"Substantially it's true," says Rollo Ehrlich, now AID's agriculture officer in Mali. "For \$9 million we bought essentially nothing."

Adde Roland Deschambault, the AID comptroller in Bamako, Mali's capital: "The crying shame to me is why it took so many years to surface these things. You cannot prevent all failures, but you should be able to prevent a failure from lasting for several years."

So it goes on four continents. Asia, the Americas and particularly Africa are littered with U.S. aid projects that simply bombed. Hundreds of millions of dollars in the last decade have been poured into well-intentioned schemes that collapsed under the weight of their own ambition.

Nowhere have the failures been more spectacular than in agriculture, and nowhere has the helping hand from the United States been more controversial and suspect than in food aid — two cornerstones of American foreign aid. Consequently, attempts to crush global hunger and poverty have been fitful at best, dismal at worst.

Africa is in especially grim shape. Per capita food production has been tumbling since the early 1970s and grain imports have soared, according to the World Bank. Only one African in four has access to safe water. Malaria, yellow fever, cholera and other diseases still rampage across parts of the continent. The probability that a 1-year-old African child will die before his fifth birthday is 25 times greater than in the developed world.

Clearly the United States bears but limited culpability for poverty and misfortune abroad. Nor would it be accurate or fair to suggest that the huge sums it spends on foreign aid — \$8.9 billion this year — buy only abject failures such as Operation Mills Mopti. Many things have worked reasonably well and some very well considering the odds stacked against success.

The United States remains by far the largest donor of food in the world; AID estimates that the humanitarian segment of Food for Peace, or Public Law 480, reaches 56 million people a year.

Americans have helped finance successful agricultural research institutes around the world, built irrigation systems and designed macroeconomic game plans for countries seeking escape from national penury. The United States chips in hundreds of millions of dollars to international food and agriculture agencies while financially underwriting scores of private voluntary organizations combating hunger.

Yet a six-month investigation of American foreign aid by The Kansas City Times, an investigation that ranged from Haiti to Egypt, Washington to Rome, the Great Plains to West Africa, shows that something is awry.

"It's out of focus," one senior AID official concedes.

Moreover, a review of thousands of pages of government documents and more than 130 interviews confirm that at times it's out of control. For the rest of this week The Times will look at bilateral American aid, particularly scrutinizing the attempt to transfer food aid and agricultural know-how from the nation that does it best to the nations that need it most.

Consider:

• The United States has heaped enormous sums into the world's dreariest backwaters with little or no oversight. Complex management tasks have been shoveled onto Third World nations where nine in 10 people can't even read. For example, projects in the Sahel, the impoverished African region south of the Sahara, have been so grandiose, so convoluted that Mr. Deschambault, the AID comptroller in Mali, acknowledges, "I doubt whether they could even run in the United States."

• The culture chasm between American intent and Third World reality is so wide that projects often have stumbled over local customs or superstitions. Americans in Haiti, for example, developed a type of white corn that grows well in the Caribbean but encountered stiff resistance from Haitian peasants who prefer yellow corn because white is considered the color of weakness.

In Kenya, where the local corn is white, just the opposite reportedly occurred. Several years ago American yellow corn shipped in to alleviate food shortages sometimes was left to rot because of Kenyan fears that yellow corn causes sterility.

• Despite much high-flying rhetoric about helping the poorest of the poor, political punch is the basic acid-test in carving up the foreign aid pie. For example, roughly one-third of all American foreign aid goes to Israel and Egypt alone.

"Someone once said that foreign aid money is just walking around cash for the secretary of state," a House staffer said.

• Foreign aid is both a dumping ground for surplus U.S. food and a feeding ground for innumerable consultants, contractors and sundry middlemen. At least seven in every 10 foreign aid dollars never leave the United States, one of the few reasons aid is tolerated by an electorate otherwise overwhelmingly hostile to it.

Poor government oversight has permitted windfall profits on some projects, according to AID documents; in other cases the agency seems simply incapable of keeping up with the vast wave of commodities purchased and shipped to the Third World.

"We have a problem in AID," says Jon Given, the agency's blunt-spoken acting regional inspector general in Washington. "We don't know how much we buy, what we buy or from whom we buy it."

• There is persistent and occasionally acrimonious debate over whether food aid genuinely contributes to development or instead serves as a kind of international dole. From October 1978 through September 1981 the United States donated 600,000 tons of food to India through CARE, yet according to audit figures, from 1978 through 1980 India exported more than four times that much in wheat and rice, including a 2 million-ton wheat shipment to the Soviet Union as repayment of an earlier loan.

"What we're seeing here . . . looks

to us like kind of an open-ended welfare program," says Herbert L. Beckington, a former Marine Corps three-star general who now serves as AID's inspector general.

• Third World economic policies frequently undermine American development efforts. Some critics also believe that food aid has permitted Third World nations to sidestep needed agricultural reform.

For example, although the United States has sunk \$360 million into Egyptian agriculture projects, wheat prices in Egypt have been so badly bashed down by the Egyptian government's heavy-handed farm policies that farmers along the Nile now find it

more profitable to grow wheat for straw to make bricks than for food. Furthermore, huge shipments to Egypt of American wheat under Food for Peace have helped keep those policies entrenched.

• Although some Third World governments genuinely seek up-by-the-bootstraps salvation from hunger and poverty, there is enormous American frustration at widespread recalcitrance in many countries.

"It seems to me that most of our agriculture projects, to put it frankly, have failed to achieve what they set out to achieve in Haiti," says Al. Al. Wahab, an AID agriculture officer in Port-au-Prince. "We could have the

best intentions in the world, but if the local government doesn't have the necessary commitment, we're just really creating false hopes."

• There is remarkably little coordination between different donor nations or the international organizations working in the Third World. Despite efforts at dialogue and collaboration in some regions, "Donors compete for good local people and projects, creating a negative impact. . . . Donors have responded slowly to the lessons of experience, particularly in agricultural project design," concludes a recent report by the Club du Sahel, a Paris-based consortium of donors to West Africa.



In the argot of Third World geography, Mali is LLAGD (landlocked, geographically disadvantaged). The country is so remote and isolated that it's cheaper to ship beef from Australia or Argentina to West African coastal cities than to haul it 600 miles from Mali's interior.

At first blush the arid landscape vaguely resembles the American Southwest, but it doesn't take long for disparity to overpower any likenesses. Barefoot farmers, bent double and swinging hand-forged hoes as their forefathers did in the 12th century, pick their way through millet fields in a hunt for weeds. Outside their mud huts women pound grain with large wooden mortars and pestles, a brutal chore that typically occupies Malian farm wives three hours a day.

An open-air bus converted into a hearse clatters toward the graveyard at sunset with mourners packed in around the deceased. A camel slaughterhouse hugs the horizon (much of the meat is flown to Libya in refrigerated planes), and hundreds of slender pirogues ferry passengers and cargo across the muddy Niger. In the markets veiled nomads from the northern deserts mingle with tall Fulani herders whose faces have the elongated grace of El Greco's Spanish noblemen.

The remains of Operation Mills Mopti occupy a single-story, fly-bedeveled headquarters where donkeys bray outside and the carcasses of International Harvester Scouts litter the motor pool. Teninko Diabate, now acting director of the bankrupt enterprise,

flourishes some statistical sheets that show that although the project managed to increase the area under cultivation by 175,000 acres from 1976 to 1983, production of millet and sorghum nevertheless dropped by 62,000 tons. He blames it on bad weather.

The wreckage of Operation Mills Mopti (mills means millet in French) is not an isolated episode of bad luck.

AID's regional inspector for West Africa recently surveyed seven American food production projects in the Sahel and concluded that "few if any significant development results have been achieved"; the projects have been plagued with "deficient project design, poor implementation, chaotic accounting practices and inadequate AID oversight."

"The manner in which the projects were developed and designed was incredibly poor and sloppy," he added. Credit financing for the farm projects — as crucial in West Africa as it is in Kansas — is riddled with corruption, default rates that consistently exceed 50 percent, lousy record keeping and a persistent failure by the Americans to foresee the complex accounting skills needed.

Of 25 American "problem projects" in the Sahel, 24 have had design problems and two-thirds have been judged "overambitious in the types of things being attempted or unrealistic in the outputs promised," according to an AID document compiled earlier this year.

Added to this dirge is a March 1983 assessment, written by AID headquarters in Washington, which concedes that "notwithstanding all our good intentions to the contrary, AID has taken on too many separate projects, and these have been too widely dispersed."

In neighboring and equally impoverished Upper Volta, for example, AID agreed in the mid-1970s to provide nearly \$5 million for a complex project intended to help small farmers increase their production and income through better seed varieties, fertilizers and insecticides.

"After five years few tangible results have been achieved," 1981 audit documents conclude. "There is no evidence that this package has resulted in increased production."

Among other troubles, 75 percent of

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the AID money lent to farmers had not been repaid, partly because farmers recognized that "little happened if they didn't repay."

"One of the problems AID is facing is that the number of agriculturalists with their feet on the ground is not large," says John Becker, currently an AID agricultural officer in Upper Volta. "As a result, unfortunately, the agency does not have enough of an internal checks-and-evaluations system to say, 'You're blowing in the wind; you're kidding yourself.' . . . There were no serious checks in terms of what was doable and what was practical."



Many defenders of foreign aid contend there will be inevitable flops in a high-risk business that operates by definition in some of the world's most infernal environments.

"There's a hell of a lot of talent in this business, and 90 percent of them are highly motivated under very difficult conditions to solve problems that have plagued mankind since the beginning of history," says Allan R. Farman, former AID mission director in Haiti and now an American representative to the international food organizations in Rome.

"There are the success stories," he adds, "the Koreans and the Brazils. Look at India. It's nearly self-sufficient in agriculture, and 15 years ago it was a basket case."

Others pin at least some of the blame squarely on Congress.

"In the 1970s, when energy was a big topic, Congress wanted to know what AID was doing about energy in the Third World," says one AID officer in West Africa. "Consequently every project had its energy component."

There were similar pressures to address problems of Third World women, prevention of post-harvest losses and other issues. Compounding the difficulties of an agency spread paper-thin through 71 countries has been a reduction in AID's staff from a peak of 18,030 in 1968 to 5,332 today.

Furthermore, at congressional insistence, AID projects now are sheathed in red tape. The checklist of requirements for aid money now runs many pages and includes such ques-

tions as: How many women will benefit from the activity? Has the country tried to prevent narcotics from entering the United States? Or acted against U.S. fishermen in international waters? Or violated human rights? How will the project encourage private trade and investment abroad?

"For one thing," chuckles a senior AID official in Washington, "it makes liars of us all."

Others contend Congress has been unrealistic to expect development successes within the five-year time frame allotted most projects.

"Ten years, 20 years is more appropriate," says Norman Sweet, an associate director of the AID mission in Cairo, Egypt. "To suggest that we would have substantial results in five years was just wrong."

Finally, some argue that expectations need to be lowered.

"Congress and the American people have an overly simplistic view of development and what it entails," a senior AID officer in Mali says. "Progress is not always measurable in terms of increased crop yields and so forth. . . . The resistance to change from the older generation in some cultures is tremendous, and sometimes development simply means getting the younger generation to try something new."



Yet there's nothing subtle about the shortcomings that the Times' investigation has found popping up in foreign aid projects again and again.

"One thing AID has failed to do over time is take advantage of lessons learned from the projects that it has carried out over the past 30 years," Frank C. Conahan, director of the international division of the General Accounting Office, told Congress last year. "It does not have a very good system for collecting those lessons."

Moreover, there are often grave doubts about whether American aid projects can avoid collapsing when Uncle Sam's money stops and the Americans go home.

"There's a very open question as to how much will remain after we leave," admits an AID agriculture officer in West Africa. "Mind you, it was all done with the best intentions."

A senior development officer in Haiti adds: "You can look back over the

history of external aid in this country and see that we're repeating projects that have already been built. You look at the achievements here and you see a road going north and a road going south and improved port facilities. And that's about it."

In July 1978, AID committed \$2.3 million to help small farmers in Mali increase their wheat and sorghum production by using irrigation water from the Niger.

The project, called Action Ble (ble means wheat in French), purchased 500 diesel pumps for use at Dire, in northern Mali near Timbuktu. Auditors visiting the project site found 277 pumps lying in an open field; 42 had been damaged, 17 from exposure to

the weather.

A memo dated Feb. 11, 1981, from the AID comptroller in Bamako found that "no definable system of accounting exists at Action Ble." (Among other things, \$12,237 had been spent on personal furniture for project employees.) An audit in September 1981 concluded, "There is little statistical evidence at the present time to indicate that this project has significantly assisted farmers to increase the production of wheat and sorghum."

Dave Wilson, AID's mission director in Mali, says the project created an enormous bureaucracy to serve 500 farmers and "was designed to do anything and everything."

"It was too ambitious, involved too

much government overhead," he said.

Also, the Malian director eventually fled the country — investigators found his project vehicle near the Upper Volta border — and authorities believe \$50,000 to \$70,000 is missing.

The number of pump owners has now been pared to 250; AID, which has sunk \$3.5 million into Action Ble, has spent the last year trying to organize a graceful exit leaving some semblance of self-sufficiency.

"I must say we haven't been successful," an officer in Bamako admits.

When Action Ble officially fades from AID's books on Sept. 30, the end of the 1983 fiscal year, there's a good chance that little will be left behind except a legacy of mismanagement and corruption.

How does this happen? Who's responsible?

"My own impression is that the problems stem not so much from criminal conduct but from poor management, mismanagement," says Mr. Beckington, the inspector general.

One explanation frequently offered in the Sahel is the sense of urgency after the catastrophic drought in the early 1970s, which killed perhaps 200,000 people.

Yet throughout the world, American foreign aid programs appear to be afflicted with a "move the money" syndrome. The GAO last year noted a widespread perception that AID "had greater concern for starting projects in order to obligate available funds than in having these same projects implemented."

One AID mission director adds, "Politically it's damned near impossible not to spend the money obligated by Congress; otherwise Congress suspects that its will is not being expeditiously executed by the bureaucracy."

Many AID officers interviewed also complained that the agency's reward and promotion system is geared toward those who dream up new projects rather than those in the trenches trying to make them work.

"We've attracted many motivated, intelligent people of almost missionary mentality when what we needed were businessmen in some respects," says Jon Given, the regional

inspector general in Washington. "Implementation is the business end of this thing, and they're not much interested in that."

Another persistent complaint is that there are few penalties for even the most grievous errors in judgment. For example, an Operation Mills Mopti project officer received a citation for a job well done and has advanced up the career ladder to even more responsible posts, according to those now left to pick up the pieces in Mali.

Auditors looking at an agriculture project in Guinea — which some believe to be one of the worst disasters in the agency's history — found that of 13 American officials most deeply involved, five had been promoted between 1978 and 1981. Furthermore, three received "special AID awards."

Adds Mr. Given, "There's no penalty for screwing up anything."

Nearly everyone agrees that the hour is growing late throughout the Third World. Ultimately the stakes are survival for millions, if not hundreds of millions.

Although the fate of the world's poor and hungry doesn't depend on American foreign aid, most believe that aid is crucial in building a critical mass of development progress necessary to keep catastrophic starvation at bay.

Norman Borlaug, a Nobel laureate considered a father of the so-called "Green Revolution," outlined the task very succinctly to the House Foreign Affairs Committee last year:

"In 1975, when the world population stood at roughly 4 billion, we achieved a total food production of about 3.5 billion metric tons. This was all kinds of food. . . . It took us from the beginning of agriculture about 12,000 years ago up until 1975 to achieve this production.

"With population growing as it was in 1975, we will need to double that production in 40 years . . . or, if you want to be very optimistic, 80 years — 2055. Be that as it may, in that short period of time, 40 to 80 years, we are going to have to duplicate the production that took us 12,000 years to achieve in the past."

Tuesday in *The Kansas City Times*:
How Americans benefit from foreign aid.