

Turning first to the problem of high-level coordination among the actual development agencies, there are a number of formal and informal organizations and channels through which this coordination takes place. The fact that there is a concentration of both United States and multilateral financial and technical assistance agencies in Washington, D.C., simplifies this problem. There is the coordination achieved through the activities of the National Advisory Council on International Financial and Monetary Problems, which reviews proposed loans and significant policy questions relating to the operations of both the various U.S. agencies and of multilateral agencies such as the IMF, the World Bank, IDB, IDA, and IFC, of which the United States is a member. In addition direct channels of communication and coordination have been established among these agencies. In a number of cases "package" aid programs have been arranged for individual countries involving two or more agencies. Officials of various agencies interested in a particular country have consulted one another before acting on loan requests and efforts have been made to standardize loan terms such as interest rates on hard loans. These agencies also exchange information and views on questions relating to a given country's capacity to service additional foreign loans or the soundness of their development programs and projects.

At the outset the Kennedy administration recognized the need for coordination and consolidation of U.S. governmental assistance activities and the new AID program reflects, in part at least, a concern for this need. Under the new Agency for International Development there will be a closer coordination of technical and financial assistance in relation to promoting economic development within the framework of sound economic planning and self-help measures. The present activities of the ICA and of the DLF are consolidated in the new Agency. (There was strong pressure within the administration—at least at an earlier stage of the aid planning—to include the development loan activities of the Export-Import Bank together with the Peace Corps and the food-for-peace program in AID. However, for various political and administrative reasons, this was not done.)

As has already been noted, the most serious problem of coordination—and one which has not been satisfactorily dealt with—is that of coordinating the financial and technical assistance activities of all agencies, bilateral, and multilateral, at the country level. If the basic approach outlined in the administration's summary presentation of the AID program, which emphasizes long-run assistance programs closely related to and integrated with national development plans and designed to promote self-help activities on the part of the countries themselves in achieving well-defined economic and social goals, is to be implemented, then country-level coordination of all free world development assistance activities is absolutely essential. Specifically, such coordination must include: (a) an agreement on investment priorities in relation to medium- and long-term social and economic goals; (b) a coordinated review and common recommendations to local government officials with respect to individual country plans and programs; (c) coordination of long-term commitments of external funds called for by the country's development plan; (d) coordination between the technical assistance agencies helping a country to formulate projects for external financing and the external financial institutions; (e) agreed positions with respect to the country's capacity to service