



*2/11/82*

*CCS Sir D Rayner  
Sir P. Preston*

10 DOWNING STREET

From the Principal Private Secretary

5 March 1982

STRICTLY PERSONAL  
STAFF IN CONFIDENCE

*Dear Brian,*

MANAGEMENT OF THE ODA

I let you have a copy of the letter which Mr Christopher Gerard, a Principal in the ODA, had sent to the Prime Minister criticising the management of his department, and Lord Carrington discussed this with the Prime Minister when he came to see her last week.

As they agreed, I have shown the letter to Sir Peter Preston, and the Prime Minister, accompanied by Sir Derek Rayner, has now seen Mr Gerard. What he had to say was essentially an elaboration of the points he had made in his letter. He emphasised his belief that the R and D units of the ODA were self-perpetuating organisations which did not seek to establish what the requirements of overseas countries were for R and D projects but which decided themselves, without any external consultation, what their effort should concentrate on. Moreover, their output was not put to any practical use in the countries where the ODA had aid programmes. He believed that the present system of managing R and D in the ODA should be swept away and replaced with arrangements which both took much more account of local overseas requirements and got much of the R and D work out of government in this country and into non-governmental hands. He had in mind that the ODA would tell their overseas clients each year how much R and D expenditure it was prepared to devote to each of them and invite them to submit bids in the form of R and D projects. These would then be scrutinised by a small staff of specialists in the ODA who would discuss them with the countries putting them forward and, in the light of those consultations, settle the R and D programme. This would then be put out, in its different elements, to universities, research councils and private industry in this country to carry out. Mr Gerard maintained that, with a system of this kind, the ODA's R and D programme would be customer orientated and its staff substantially reduced.



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He also criticised heavily the way in which the ODA's programme for providing training to people from overseas was organised. He said that it was spread in a diffuse way over several Under Secretaries' commands in the department. If it were brought together in a coherent whole it could be administered with much greater efficiency and with many fewer staff.

The Prime Minister and Sir Derek Rayner both reminded Mr Gerard of the considerable run-down of staff in the ODA's specialist units which had already taken place and of the reviews which were now going on. Sir Derek Rayner especially commended the scrutiny of the Directorate of Overseas Surveys which Mr Armstrong had carried out. Nonetheless, the Prime Minister said that she wished to pursue further what Mr Gerard had told her and, as a first step, she would see the Foreign and Commonwealth Secretary and Sir Peter Preston, with Sir Derek Rayner present.

x | We will be in touch with you and Sir Peter Preston's office to arrange the meeting which the Prime Minister foreshadowed when speaking to Mr Gerard.

I am sending copies of this letter to Sir Derek Rayner and Sir Peter Preston. I should be grateful if you and they could ensure that it is not given any further circulation.

Yours ever,

Miss Whitman.

Brian Fall Esq.,  
Foreign and Commonwealth Office.