

# ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

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## OPENING REMARKS

**Benjamin Homan**, ACVFA Chairman, welcomed the committee members and attendees, noting that one of the purposes of ACVFA is to promote awareness of foreign assistance. American security would benefit if foreign assistance were a greater part of the national dialogue; the conversation today is intended to promote that. He thanked the members of ACVFA for doing their part to facilitate dialogue between private voluntary organizations (PVOs) and the government.

Michael Nyenhuis, an ACVFA member and a leader in the PVO community, could not attend because his son had just been killed. Attendees desiring to extend their wishes to the family may contact Mr. Homan or Jocelyn Rowe. Mr. Nyenhuis' son's name was Jacob; he was a first-year student at the University of Georgia.

## PRESIDENT'S MALARIA INITIATIVE: OVERVIEW AND PROGRESS

**Admiral Tim Ziemer**, *Coordinator, the President's Malaria Initiative (PMI), USAID*

Malaria is an emergency for Africa. Of the over 1 million people who die of the disease each year, 80 to 90 percent are in Africa, and of those 80 to 90 percent are children under five years old. Three thousand children die of malaria every day. The disease costs Africa \$12 billion a year, an estimated 1 to 2 percent of the entire continent's Gross Domestic Product (GDP).

On June 30, 2005, President Bush announced the President's Malaria Initiative (PMI), a five-year, \$1.2 billion initiative to effect rapid growth in malaria control interventions in African nations. At the same time the President challenged other donors and the private sector to increase their malaria funding.

PMI is an interagency initiative led by USAID, with the Department of Health and Human Services (HHS) and the Centers for Disease Control and Prevention (CDC) as key partners. It aims to bring proven interventions to 85 percent of vulnerable populations in order to achieve a 50 percent reduction in malaria mortality in target countries. These proven interventions include insecticide-treated mosquito nets (ITNs), indoor residual spraying (IRS), intermittent preventive treatment for pregnant women, and artemisinin-based combination therapy (ACT). Yearly funding will increase from \$30 million in 2006 to \$500 million in 2010, with coverage expanding from three initial countries to fifteen. Funds will be used to conduct IRS, buy supplies for other interventions, strengthen national malaria control systems, and monitor and evaluate progress.

Countries selected have a high burden of malaria, the political will to commit to malaria reduction, a willingness to partner with the U.S. government, and national

malaria control policies and practices consistent with those recommended by the World Health Organization (WHO). In other words, the PMI works with those countries where it can potentially make a difference.

Within six weeks of the President's announcement, the PMI fielded assessment teams to the first target countries (Angola, Tanzania, and Uganda). Within six months, activities were underway in those three nations. Within nine months, the PMI's activities benefited over 5 million people.

In Uganda, the PMI has:

- Supported IRS in the southwestern district of Kabale (488,000 benefiting)
- Procured 298,000 doses of ACT for community-based distribution in the north
- Distributed 260,000 free, long-lasting ITNs in internally displaced–persons camps
- Re-treated 600,000 nets with insecticide

In Angola, the PMI has:

- Conducted IRS in the southern region (590,000 people protected)
- Subsidized ITNs in urban areas
- Distributed over 800,000 long-lasting ITNs

In Tanzania, the PMI has:

- Distributed 130,000 long-lasting ITNs in Zanzibar
- Conducted IRS in Zanzibar (over 1 million people protected)
- Procured and delivered over \$650,000 of ACT, enough to treat 380,000 cases of malaria

These actions prove it is possible to bring proven malaria interventions to a national scale. The PMI is establishing a standard of achieving and maintaining high coverage rates, and is building recognition among ordinary people and national leaders that malaria can be controlled, that it should no longer be acceptable for women and children to die of this preventable and treatable disease.

In June four more target countries were announced for 2007: Malawi, Mozambique, Rwanda, and Senegal. The remaining eight countries to be announced for 2008 remain under discussion.

## **QUESTIONS AND ANSWERS**

**Theodore Weihe**, ACVFA Member, noted that the PMI uses DDT for internal spraying, though traditionally USAID has opposed the use of DDT because of its environmental impact.

**Adm. Ziemer** said that the Persistent Organic Pesticides (POPs) Treaty allows the use of DDT in indoor spraying for malaria prevention, if certain guidelines are followed. USAID is represented on IRS planning boards and monitors the use of DDT. USAID adheres to strict environmental guidelines, approval processes, and procedures for the use of DDT and all other WHO-approved insecticides in its malaria-control programs; it supports IRS with DDT when it and the host country judge it to be the best insecticide both epidemiologically and entomologically. He added that he believes DDT is an effective pesticide when used within certain parameters.

**Richard Stearns**, ACVFA Member, asked how the PMI coordinates with other donor nations and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

**Adm. Ziemer** said that once a nation is chosen, the PMI sends an assessment team to work with the USAID mission and the U.S. embassy there. The Agency publishes an announcement and through the embassy gathers all partners working in the country. That allows those partners to explain their current efforts and allows the PMI to determine how best to complement them. The Global Fund, the Roll Back Malaria Partnership, nongovernmental organizations (NGOs), and WHO participate in those sessions.

In Senegal, for example, this meeting took days. A plan was devised and approved by the Senegalese national authorities and then vetted by HHS and CDC. That plan took Global Fund funding into account—in fact, the PMI is paying to distribute ACT purchased by the Global Fund.

**A participant** asked how the PMI coordinates with the USAID's current foreign assistance reforms. Will PMI funds be added to a country's ceiling, or will they comprise part of a country's total?

**Adm. Ziemer** said that while the PMI was implemented ahead of the current reform process, it is in line with and complements current reforms. In the field, USAID is now focused on developing integrated, coherent tactical plans to achieve results, based on the strategic direction for foreign aid. These "Operational Plans" are designed to link planned funding to planned activities and planned results. This approach is similar to the Malaria Operational Plans developed for each PMI target country. Ultimately PMI's planning and operations will be brought into line with the rest of the reforms. PMI funding is additional funding, above current foreign-aid funding, but it is not yet clear how it will be reflected in country-by-country assessments.

**Delois Blakely** of the New Future Foundation asked how the PMI plans to include African nationals trained in the United States and now living here as it plans programs for Africa.

**Adm. Ziemer** said that the PMI does want to push for a clearer and more efficient way of meeting targets using local talent, but the PMI's primary mandate is to respond rapidly using proven methods. It should be noted that the PMI effort works through nations' own ministries of health and with local partners that include the host country's professionals.

**Glenn Schweitzer** of the National Research Council said that since the first malaria initiative in the late 1960s objectives have always been too short-term: to save lives, spray houses, and distribute bed nets. He argued that USAID should help nations to build the institutions they need to obtain their own bed nets and DDT, an effort that would take longer than the PMI's five years.

**Adm. Ziemer** acknowledged that USAID has not done well on that score in the past, but said that by working with national malaria control programs the PMI does aim to build local institutions to the extent it can. Little money is budgeted for institution building, however; PMI is looking for other donor countries and partners to support such efforts.

#### **KEYNOTE ADDRESS: U.S. FOREIGN ASSISTANCE REFORMS**

**James Kunder**, *Acting Deputy Administrator, USAID and Assistant Administrator, Bureau for Asia and the Near East, USAID*

USAID Administrator Ambassador Randall Tobias recently said of the new foreign assistance reforms: "This new strategic approach tells the story of what we are trying to accomplish and provides the basis for evaluating our progress, because progress is essential. The challenges of our time demand this change, not only because our national security depends on it but because peace, prosperity, health, education, and the freedom to provide for themselves and their families are the aspiration of human beings everywhere."

In that quote Ambassador Tobias makes it clear that the foreign assistance reforms are designed for the United States' partners in the developing world. It is true there is an imperative to use U.S. foreign aid programs in support of U.S. foreign policy. But Ambassador Tobias does not believe the reforms should have the goal of recategorizing some programs in Washington, but should aim to make foreign assistance more effective for the United States' partners. This is in line with what the Secretary of State has called "transformational diplomacy": using U.S. foreign policy and foreign assistance as a force for good in the world.

Ambassador Tobias also talks about evaluating processes, and that's where the substance of the reforms will be.

What problem is USAID trying to fix? Ambassador Tobias uses the analogy of coming to the Sahara and seeing windbreaks and green spots: the question is not whether U.S. assistance succeeded in turning those spots green. The question is: what do they add up to? Can the United States measure the global impact of its programs in health, democracy, and so on? How should development agencies decide whether to give money to one country rather than another? How can they determine where a dollar of development money will have the greatest effect?

This reform effort has provoked questions about USAID's specific role in the future. It has held USAID up for comparison with other foreign-assistance arms of the U.S. government. But the reforms are not intended to end USAID, end long-term development, or subordinate development to security priorities. Instead they provide an opportunity to inform more of the United States' foreign assistance with a long-term development perspective. To do that USAID officers will have to be tough-minded and ready to operate in the sharp-elbowed interagency environment.

**Dirk Dijkerman**, *Chief Operating Officer, Office of the Director of U.S. Foreign Assistance, U.S. Department of State*

The State Department and USAID are developing tools to make operational the principles and vision that have already been articulated for these reforms.

The first of these to be made public was the *Foreign Assistance Framework (FAF)*, an effort to align foreign aid with other interventions and priorities in the U.S. government. The parallels with the indicators, criteria, and structure of the Millennium Challenge Corporation (MCC) should be evident, for example. Since its initial release USAID and the State Department have made adjustments to the *FAF* to clarify it: one change should make it clearer that the U.S. government supports poverty-alleviation programs.

At the same time, the State Department and USAID are working on a five-year overall *Foreign Assistance Strategy (FAS)*. Under the *FAS*, wherever possible USAID and the State Department will support a single development plan for a given country, a single coordinating mechanism, and a single set of indicators to measure the progress of all those working there. While the *FAS* will only directly guide the actions of the State Department and USAID, other agencies will participate and coordinate as they think appropriate. The development of an overarching strategy does mean setting priorities and recognizing that not everything can be accomplished.

While Washington sets the overall strategic direction, the field will continue to be the principal designer of implementation plans. The first step will be to develop a method for writing country strategies. USAID and the State Department are

trying to learn from previous efforts in this regard: for example, the implementation strategies from the President's Emergency Plan for AIDS Relief (PEPFAR) were too long for most people to read. USAID's Europe and Eurasia Bureau strategies may offer a useful model.

Once country strategies are in place, missions will devise operational plans describing what they can do and how they can hit their targets. Operational plans will marry the budget process to what happens on the ground. They will allow the State Department and USAID to explain what they have done, why, and why programs deviate from plans when that occurs.

The aim is to link State Department and USAID planning and reporting processes at every stage. This year the State Department and USAID had a single planning process and a single, unified budget. People at the most senior levels discussed the right distribution of resources among countries or within countries. This type of debate takes into account long-term interests, short-term perspectives, technical realities, and diplomatic realities to reach a course best for the United States as a whole. As a result of this effort, the State Department and USAID are now close to being able to fully describe the programs in any given country—a significant change from the past, when 20 to 50 percent of the money going to any given country was not reflected in that country's development budget.

USAID and the State Department have not yet submitted the Joint Congressional Budget Justification; the aim is to work with the Office of Management and Budget (OMB) so as not to lose the new structure when the budget goes to Congress. This is a challenge because OMB and Congress operate by program account. The Office of U.S. Foreign Assistance will work with the rest of the State Department to modify how it reports expenditures under the Joint Performance Authorization Review (PAR) process.

One of the aims of the reform process is to strengthen accountability and transparency across countries, programs, and partners. This will require standardized program structure and definitions. Standard definitions allow debate about what's truly going on, and allow embedded assumptions to be properly vetted. Developing a strategy also means setting indicators for success, though reformers recognize that not everyone will be happy with the indicators chosen. Unfortunately, between the State Department and USAID, there are currently about 11,000 indicators on the books—far too many to make good judgments.

## **QUESTIONS AND ANSWERS**

**Benjamin Homan**, ACVFA Chair, asked about the reforms' timetable.



**Mr. Dijkerman** said that his personal goal was for the *FAS* to be in final draft form by the end of the calendar year. Operational plan guidance is now issued to Operating Units, and USAID and State Department staff members are being trained in it. Operational plans are currently due in Washington by the end of January, and will be reviewed thereafter.

**Mr. Homan** asked to what extent these reforms will include other agencies of the U.S. government involved in foreign assistance.

**Mr. Dijkerman** said that for now the Secretary of State has agreed to reform those elements of foreign aid that fall under State Department authority: the Office of Foreign Assistance and USAID. The structure is broad enough to incorporate other agencies. When those agencies receive funds from USAID, they will be part of the process; when they have their own funds, they can decide to be included.

**Larry Diamond**, ACVFA Member, commented that while these reforms are long overdue they are still not yet bold enough in seeking the change that should be the goal of transformational diplomacy: changing the logic of governance in most developing countries. Currently the logic of governance is about generating private good for those who have cornered political power. Without a change in that hierarchy of motives, the gains possible from these reforms will be minimal. Foreign aid can accomplish little compared to what states can accomplish with their own resources and foreign investment. The purpose of the Millennium Challenge Account (MCA) was to put these standards in place, but MCA countries are compared only to one another—in other words, on a curve. Nowhere is the U.S. government setting high enough absolute standards, as devised by countries' own civil-society groups.

**Mr. Kunder** agreed, noting that the United States must effect those kinds of changes without imposing them, and make sure the private sector is involved. The current reforms at least provide a mechanism to take on the challenge systematically.

**Mr. Dijkerman** challenged those present to take advantage of the tools the reforms will make available. The first of those is the *FAF*. For example, last year the Secretary of State asked what USAID and the State Department were doing to promote democracy, and in trying to answer that question, senior staff discovered there was no agreement on the definition of "democracy." Defining "democracy" and deciding what programs promote it took three months. In FY2008 at least the agencies can answer the question directly, including budgetary allotments by program. That transparency should yield more fruitful evaluation and analysis. The reforms should also allow ambassadors to assemble a whole country's team to speak with one voice.

**Mr. Kunder** added that Dr. Diamond and the MCA both assume that national will is the most important element determining whether development succeeds. But many field-level people claim that what works depends on the country and its needs. From now on, the U.S. government will identify more clearly what works and what doesn't, which will mean a narrower range of program activities.

**Elise Smith**, ACVFA Member, expressed two concerns. First, if the emphasis of the new system is on short-term real results, programs in the field could be channeled to large profit-making organizations focused on efficiency. A model emphasizing long-term effectiveness might allow for more diverse development mechanisms. Second, while the small working group on gender had productive meetings with Ambassador Tobias and other high-ranking staff members, those discussions are not reflected in the *FAF*.

**Mr. Dijkerman** noted that USAID is reviewing its operational and procurement structures.

**Mr. Kunder** said that procurement difficulties are not related as much to a philosophical choice of efficiency over effectiveness as they are to a practical limitation: funds for foreign aid have increased while the number of USAID employees has decreased. USAID staff members can come to a point where it becomes very difficult to manage multiple procurement mechanisms while meeting Government Accountability Office (GAO) standards.

**Mr. Dijkerman** said that the foreign assistance reform effort has not yet focused on whether similar programs in different country categories ought to be implemented differently. For example, in "sustaining" or "transformational" partner countries, the implementation mechanisms should perhaps emphasize cost-sharing and/or the greater use of program support, because those countries tend to be wealthier and more capable of assuming leadership and implementation responsibilities. This question will be examined in the future, and will also be informed by the review of procurement that USAID is currently undertaking.

In the operational plans, gender is treated like a number of key crosscutting issues: easily marked and noted in any given plan.

### **MILITARY AFFAIRS TASKFORCE UPDATE**

**Spencer King**, *ACVFA Member and President and CEO, International Executive Service Corps*

The Military Affairs Taskforce was created last year at the suggestion of the USAID Administrator to discuss what PVOs could do in concert with military activities. At the time the taskforce had information only from one program in

Iraq where PVOs worked with the military in areas they would not otherwise have been able to reach. That experience led the taskforce to identify one basic deficiency: majors and captains were enthusiastic supporters of PVO work, but they were also young and not experienced in the private sector. The taskforce put out a paper based on that Iraq experience.

On September 26 the taskforce met with USAID's Office of Military Affairs. The next step will be to test what PVOs and the military can do together. Some PVO staff members will visit the military's Office of Civilian Affairs, to learn how officers are trained and to try to determine how PVOs can help prepare them before they are deployed. If the military provides information on the countries where it plans to deploy, for example, and what the intelligence services say the demands are likely to be, there are thousands of PVO workers who could help train soldiers.

At the very least the taskforce has helped advance matters past the point where PVO and military people do not understand one another's language. Attendees were invited to sign up for continued participation in the effort.

## **HUMANITARIAN RELIEF AND RECONSTRUCTION: LESSONS LEARNED**

**William Garvelink**, *Senior Deputy Assistant Administrator, Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA), USAID*

Through its responses to humanitarian emergencies over the last year and a half (primarily the tsunami, the Pakistani earthquake, and the postwar response in Lebanon), USAID has learned six important lessons pertinent to its core emergency response relationships (those with PVOs and NGOs).

1. Communities' control over their futures depends in part on their participation throughout the response process.
2. The support of local and national coordinating agencies fosters better response and more effective coordination. Often there has been planning for disaster at the local level, but the people who were supposed to manage disaster response have been killed or traumatized.
3. Common standards and the sharing of information ensure more equitable assistance.
4. In the politically charged atmosphere following a major disaster, particularly in Islamic countries, it is vital that USAID and its partners maintain transparency in their decision making and response.

5. Almost as important as saving lives is the effort to get families and communities back on their feet economically through job creation and microcredit.
6. All phases of the emergency response—lifesaving, rehabilitation, and reconstruction—must begin simultaneously.

USAID also learned several lessons about its relationship with the military during these disasters. The role of the U.S. military is very large, and if USAID manages that role effectively the PVO community can extend its reach.

1. USAID must have early and continuous contact with military decision makers at all levels, preferably through liaison officers in all levels.
2. It is important to reach agreement quickly on who is in charge and who sets priorities. Such agreements must be set down in writing and dispatched up and down civilian and military chains of command.
3. Assessments of need must guide the distribution of aid. Without guidance, the military will dispatch aid quickly but not necessarily to the places that most need it.
4. Pertinent military information must be unclassified.

NGOs are USAID's most important links to communities on the ground; they must participate in identifying needs and gaps because they have longstanding relationships and the trust of communities. USAID's focus on its relationship with the military may have come at the expense of its relationships with NGOs. In the past, a representative of InterAction would sit on Disaster Assistance Response Teams (DARTs).

USAID has also learned an important lesson for its own internal operations: following a major disaster, USAID forms a multibureau taskforce. In the initial days, when the focus is on emergency relief, DCHA leads the response. As the focus switches to reconstruction, the regional bureau takes over. But both participate from the beginning—along with the bureaus responsible for legal issues, contracting, and so on—which makes it easier to undertake all aspects of the response at once. USAID even has boilerplate paperwork now so contracts can be issued very quickly.

**Mark Ward**, *Senior Deputy Assistant Administrator, Bureau for Asia and the Near East, USAID*

USAID has also learned six important lessons pertinent to the reconstruction phase of the response.

1. USAID has done a good job reorganizing itself internally to respond to disasters. But there is still a long way to go in coordinating the response of other U.S. agencies. The U.S. government's response should be standardized now, before the next disaster. The Office of the Director of Foreign Assistance may be the appropriate place for that coordination.
2. Reconstruction planning should start early in the emergency stage. Often long-term reconstruction emerges from emergency relief programs. In addition, given the inevitable delays of the budget process, grants made during the relief stage often must cover the transition to reconstruction. That means that relief must be coordinated with reconstruction plans. For that reason DARTs should make a greater effort to work with indigenous NGOs than they do now.
3. USAID must take the time to talk to communities. In the rush to rebuild it is easy to forget to apply best practices and listen. In Sri Lanka following the tsunami, communities provided excellent ideas about how to change the scale of USAID's planned work to include the rebuilding of harbors, bridges, and pedestrian walkways. Careful analysis of Sri Lanka's employment needs led USAID to change its plans about what vocational schools to put in place. Similarly, community involvement in Aceh led to the beginnings of reconciliation that could become a lasting peace.
4. It is important to show tangible results fast. In Sri Lanka, USAID split a harbor reconstruction project into two phases: latrines, damaged auction halls, and other minor works could get underway and employ people quickly, while the major harbor repair would take longer. Local communities and Washington stakeholders saw progress quickly, which helped build credibility and goodwill for the longer effort. Similarly, USAID made a fast start with a local contractor on the first forty kilometers of the Banda Aceh–Meulaboh road, because it was clear the bulk of the contracting would take more time. That put young men to work and gave hope to their families and communities. In Pakistan, USAID built prototype boys' schools and girls' schools under an existing construction contract while simultaneously searching for a contractor to take on the larger effort.
5. USAID must remember to think about strengthening institutions. Countries hit by disaster must make tough decisions they weren't prepared to make before the disaster hit. In Indonesia, USAID has been providing help to the Aceh and Nias Rehabilitation and Reconstruction Agency (BRR), the Aceh governor, and the provincial office of public works in Aceh. In fact, the Agency is working from the Aceh governor's office. Thanks to USAID assistance, the BRR has adopted guidelines for spatial planning that advance all construction plans for the province.

USAID also helped the BRR establish an anticorruption office to ensure fair and transparent procurement and avoid fraud and the misappropriation of funds, in part through assistance to Indonesia's Supreme Audit Commission, analogous to the GAO. In Pakistan, USAID assisted the Earthquake Reconstruction and Rehabilitation Authority (ERRA) as it prepared to deal with the profound housing shortage. The Agency helped ERRA train local workers in earthquake-resistant construction, and local officials in inspecting construction for adherence to earthquake-resistance standards.

6. Working with the private sector and NGOs generates new ideas. Private resources can complement official aid, greatly increasing the effect of both. The private and NGO sectors have networks and resources abroad that often exceed those of the U.S. government. Making the most of this potential requires trust, however, and learning to listen to each other. USAID has made great strides, but could still improve. In particular, USAID could better accommodate offers of in-kind assistance and technical expertise from the private sector: not used clothes and untrained volunteers, but commodities and equipment USAID would otherwise have to buy and skilled experts who could help a BRR or an ERRA respond to the incredible logistical challenges they face.

When former presidents Bush and Clinton traveled to see the damage wrought by the tsunami, they prepared a trip report for the President. They wrote that at every stop the first thing they noticed was USAID and its partners on the ground, delivering assistance in incredible circumstances. "They made us so proud to be Americans," they said.

## **PANEL DISCUSSION: LESSONS LEARNED—THE PARTNER PERSPECTIVE**

**Moderator: Nancy Aossey**, *ACVFA Member and President and CEO, International Medical Corps*

**William Garvelink**, *Senior Deputy Assistant Administrator, Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA), USAID*

Some organization could do a great service to all the others working in any given emergency situation if it were willing to take up the thankless task of sorting the unsolicited goods that inevitably appear and clog the relief process.

**Randy Martin**, *Director of Global Emergency Operations, Mercy Corps*

In preparation for this discussion, key players in emergency responses around the world contributed their thoughts.

Mercy Corps' regional director in Lebanon wrote that the Office of Foreign Disaster Assistance (OFDA) DART was easy to work with. The OFDA Response Management Team (RMT), however, changed every other day and kept asking for changes in plans already agreed to with the DART, resulting in nearly a month's delay before the first program was approved. This is an ongoing theme in many emergency responses: the rapid rotation of DARTs and RNTs makes it difficult to negotiate agreements.

Mercy Corps' country director in Sri Lanka offered three lessons:

1. Early accountability to beneficiaries and in some cases to the government can prevent later misunderstanding and disappointment. For example, Mercy Corps and some of its partners started newsletters and paid for advertising space to inform people about services available and political dialogues underway, trying to fight rumormongering.
2. In a conflict-torn country, aid following a natural disaster can exacerbate political tensions.
3. More widespread agreement is needed on minimum standards of professionalism for PVOs. Poorly prepared PVOs and NGOs can become easy marks for news media eager to complain about humanitarian organizations, which in turn makes it very difficult for the larger PVO community to operate.

Mercy Corps' director in Pakistan wrote that the DART was efficient, fully operational by the second week following the disaster, and had committed its first round of grants to selected partners another week later. Successive OFDA funding was prompt and without gaps. The DART managed to coordinate with a U.S. Air Force unit, and the supply of relief goods was excellent. Early basic health units were set up with tents received from the source. Regular notification of goods arriving to partners was very helpful.

In all areas it became clear that it is vital to get cash to communities early. Markets can rebound quickly: food and goods can show up for sale soon after a disaster. It can be more effective to let communities buy what they need rather than give them what we think they need. Mercy Corps has made progress with grants and microloans.

Those working on these disaster responses have also learned about how the U.S. military can and can't work, and learned about staff security issues. They now know that they need to look for long-term commitments and from the earliest

days begin thinking about how the emergency response connects to long-term development efforts.

**Rein Paulsen**, *Senior Director for Emergency Response and Disaster Mitigation, World Vision*

World Vision continues to learn lessons in many different operational and programmatic areas from its recent emergency responses. Three broad classes of these emerge most strongly.

1. It is vital to understand more deeply the contexts in which responses take place. Following the tsunami, much of World Vision's response was in areas with preexisting conflicts—both Aceh and Sri Lanka. Partners must mount a response that takes those dynamics into account, builds on local capabilities wherever possible, and does not exacerbate existing tensions. World Vision consistently uses the Mary Anderson/Collaborative for Development Action framework (in *Do No Harm: How Aid Can Support Peace—or War*) to analyze local conditions; the challenge will be to expand the use of such methods in interagency analyses of contexts rather than continuing to use them on an agency-by-agency basis.
2. Planning for long-term reconstruction must begin at once, and focus deliberately on the development of local capabilities. Also, those involved in the reconstruction must understand preexisting vulnerabilities and groups in need, and avoid focusing too narrowly on needs arising from a particular emergency event.
3. Collaboration and coordination are essential, both with familiar partners and new ones. There is much yet to do, however, to work with the private sector most effectively, particularly to make use of private organizations' many high-level capabilities. Those responding to emergencies need to expand public-private partnerships to include efforts to strengthen local systems and improve local capabilities, alongside cash and in-kind donations.

**Darlene Taylor**, *Assistant Director, Worldwide Communications: Global Philanthropy and Public Affairs, Pfizer*

Following the earthquake in Pakistan, the President reached out to the private sector. The South Asia Earthquake Relief Fund (SAERF)—led by Pfizer, Citigroup, GE, UPS, and Xerox—was quickly established to work in collaboration with the State Department and USAID. The earthquake occurred on October 8 in a year that had already seen the tsunami and then hurricanes Katrina and Rita; some were concerned about fatigue in the donor community. It was vital to tap



into resources of the corporate sector to assist in relief efforts. SAERF used the communications capabilities of these companies and the strengths, relationships, and networks of their CEOs to raise funds and awareness. Partnership and collaboration with the business community were keys to the responses to recent disasters. SAERF set up a new model of collaboration among the business community, NGOs, and governments.

To date, more than \$100 million in cash and in-kind contributions have been raised by the private sector. SAERF alone raised and disbursed more than \$20 million to nonprofit organizations for relief and reconstruction activities. It was important to the CEOs of the five businesses leading SAERF that 100 percent of the money raised benefit the people who needed it, so each of the five companies contributed additional funds to cover SAERF's administrative costs. Of that \$20 million, SAERF raised and distributed \$4.5 million immediately for emergency relief. It was critical that funding went to organizations on the ground with the ability to meet immediate relief needs as well as the capabilities and expertise to carry out long-term reconstruction projects funded by SAERF. From the beginning SAERF participated in planning for the long-term reconstruction effort.

The business community's response to last year's three major disasters—the tsunami, Katrina and Rita, and the Pakistani earthquake—totaled about \$1.7 billion in cash and in-kind donations of equipment, products, and services. As importantly, the business community contributed the expertise and talent of its employees to support these relief efforts, a direction that should be explored more fully in the future.

## QUESTIONS AND ANSWERS

**Ms. Aossey** asked for examples of businesses contributing expertise rather than dollars or equipment.

**Ms. Taylor** said that the CEOs of the companies involved in SEARF recognized that experts would be needed to rebuild infrastructure for water sanitation, education, and health care. SEARF launched a Web site and each company reached out to its networks: Bechtel provided construction expertise, GE provided energy equipment, and Pfizer has focused on rebuilding health care infrastructure.

**Ms. Aossey** asked about major challenges in linking emergency response, rehabilitation, and reconstruction.

**Mr. Martin** said that Mercy Corps mostly focuses on development. When it must respond to a crisis, its small emergency-response team calls on people who work in development; most of those on the scene, therefore, do development in their

day-to-day jobs. The idea is that these people will see from the earliest days the links that need to be made.

**Ms. Aossey** asked how the aid community might deal with unprofessional NGOs that create security problems for those organizations familiar with the affected area or accustomed to working in dangerous places.

**Mr. Martin** recalled the example of Afghanistan in the 1980s and 1990s. An organization of NGOs called Akbar devised standards for membership, and donors would only give money to NGOs belonging to Akbar. Today donors could require grantees to be signatories to InterAction's Code of Conduct, or members of InterAction.

**Sam Worthington** of InterAction said he looked forward to a dialogue about returning to DARTs and improving InterAction's relationship with USAID. He added that professional standards for the PVO community are essential, and that organizations that don't meet those standards must be strengthened.

**Ms. Aossey** asked how the response in Lebanon differed from that following the tsunami or the Pakistani earthquake.

**Mr. Garvelink** said that one major difference was the security concern, which impeded travel. That in turn led USAID to rely heavily on its partners, including Mercy Corps and the International Medical Corps (IMC).

**Mr. Ward** added that the difficult security situation has also meant USAID has a very small full-time staff in Beirut. That will present a great challenge in the future. USAID may have to work with locals, probably in the private sector, to augment its own capabilities.

**Ms. Aossey** asked what guiding principle relief organizations should follow when implementing relief or reconstruction efforts in areas of religious or ethnic conflict.

**Mr. Paulsen** said that the response must move quickly beyond an assessment of needs to an assessment of community capabilities, while avoiding insularity. Lebanon provides a good example to follow: organizations used the *Do No Harm* analyses and involved many local people.

**Robert Stack** of Community Options asked what in the long term were likely to be the relationships between companies like Pfizer and small PVOs on the ground.

**Ms. Taylor** said that being a global company gives Pfizer an advantage with global issues. Pfizer has 100,000 employees all over the world. The company does look to build partnerships with colleagues already on the ground: local NGOs and USAID provide essential information when Pfizer moves into an area.

**Mr. Worthington** said that the UN Office of the Special Envoy for Tsunami Recovery came to the conclusion that in the aftermath of a disaster, the effort to build up local institutions should be on a par with the delivery of services. PVOs are geared to the delivery of lifesaving services, but down the road there is a need to build civil societies. He asked how the donor community could help meet the need to strengthen local NGOs.

**Mr. Ward** said it would be wonderful if the NGO community invested in building local institutions. It is not flashy work, and it is often difficult to get Congress to understand it and commit the extra funding it requires. In any country, USAID would be glad to discuss with NGO representatives the work it has underway and the gaps NGOs can fill.

**Mr. Paulsen** added that those responding to disasters should emphasize building institutions and improving local capabilities as an integral part of delivering services. World Vision responded to the tsunami in four countries. In each it brought in an outside NGO with the specialized ability to assess the civil society's needs and recommend ways for World Vision to strengthen its institutions and capabilities as part of the transition work.

**Mr. Martin** noted the possibility of conflict between the goals of empowering local organizations and maintaining professional standards. Part of the NGO emergency response does need to be in developing local institutions, but most of that work must be done before a disaster hits.

**Ms. Taylor** said that the private sector can help fill gaps. For example, Pfizer sends employees to help NGOs enhance local health care-delivery capabilities.

**Judith Lahai-Momoh** of Saving Lives through Alternate Options (SLAO) noted that while Pfizer has been a good partner to small NGOs like SLAO, USAID has been less helpful. Holding all ACVFA meetings in Washington, D.C., makes it difficult for those out of state to attend. In addition, though federal tax regulations require audited statements only for organizations with at least \$500,000 in income, USAID requires audited statements of all its partners. People in emergencies don't need donated food—they need money to buy the food they are used to eating and the clothes they are comfortable in. Working with small agencies could help USAID learn what people really need. The system should also incorporate people from other countries.

**Don Rogers** of Catholic Relief Services asked how in its relationship with the military USAID was able to document who was in charge and disseminate that agreement, whether there were points of resistance, and whether the tsunami approach could be institutionalized.

**Mr. Garvelink** said that immediately following both the tsunami and the Pakistani earthquake, DCHA spoke to the Pentagon and suggested USAID run the relief operations. USAID set priorities and identified where supplies should be delivered. The military has never resisted that guidance; disaster relief is outside its expertise. This relationship has its roots in the conflict in Somalia in the early 1990s. When USAID wanted to deliver supplies during that time, DCHA communicated with the military and the military determined what was possible. The set of written procedures developed then were used again for the tsunami.

**Delois Blakely** of the New Future Foundation asked how USAID's changes to its emergency-response mechanisms mesh with the recent UN reforms having to do with the Cluster Lead Agency process and the training of humanitarian relief workers.

**Mr. Garvelink** said that USAID is very involved in the UN reforms. The Agency contributes to the Central Emergency Revolving Fund (CERF) and is funding UN Development Programme (UNDP) and Office for the Coordination of Humanitarian Affairs (OCHA) efforts to train humanitarian coordinators around the world to respond to emergencies. USAID is also engaged with the State Department Bureau of Population, Refugees, and Migration (PRM) in helping UN agencies improve their capabilities to lead these clusters. Without good humanitarian coordinators, the Cluster Lead Agency system does not work well. The United States has the capability to respond quickly to emergencies, but many other countries do not. USAID sees all three of these reforms as critical to improving the world's ability to respond to humanitarian crises anywhere.

**A participant** asked how the corporate sector could be invited to have a permanent stake in humanitarianism, so that its commitment does not dissipate when the stock market falls.

**Ms. Taylor** said that businesses are not only corporate citizens, they are made up of private citizens. There are two standards for how a company behaves. One is the conduct of the company itself, the other the contributions of its employees.

**Mr. Ward** added that the President has now set up three private-sector funds: for the tsunami, the earthquake, and now for Lebanon. While George W. Bush is president, there will be a seat at the disaster-response table for the private sector. USAID also recently created a Global Development Alliance designed to attract corporations interested in working with the Agency in any given country. There is room for improvement, however, in teaching USAID's officers to respond when company representatives offer assistance.

**Marcel Kitissou** of Cornell University's Institute for African Development asked how organizations manage the mobility of humanitarian workers. Are there

established programs for obtaining visas or work authorizations? If such international agreements do not exist, is there a need to create them?

**Mr. Martin** said that most U.S. and international NGOs have diverse international staffs. Less than half of Mercy Corps' international staff is American, for example. Less than 5 percent of its total staff is expatriate—95 percent are nationals of the countries where Mercy Corps works. At the moment it is very difficult to obtain visas to allow all of Mercy Corps' workers to go where they need to, but at the same time Mercy Corps does not want to homogenize its staff. An international agreement improving the mobility of aid workers would be wonderful, but is unlikely. This relates to the certification of NGOs: in the absence of a good definition of NGOs, it would be difficult to create international legislation giving NGO staff members the same mobility as UN workers.

### **FOREIGN ASSISTANCE REFORMS: PARTNER DISCUSSIONS**

**Laura Wilson**, *Senior Legislative Advisor to the Director of U.S. Foreign Assistance, U.S. Department of State*

The *Foreign Assistance Framework (FAF)* [available at [http://www.usaid.gov/about\\_usaid/acvfa/framework\\_102506.pdf](http://www.usaid.gov/about_usaid/acvfa/framework_102506.pdf)] defines the overall goal of transformational diplomacy: "Helping to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system." In other words, all aid provided by USAID and the Department of State should help states advance toward those two main focuses: to take care of their own people and act responsibly in the international community. Anything not directly related to those two aims probably will not continue to be funded.

Countries have been divided into categories according to the characteristics they share. Each of these categories has a specific end goal identified in the *FAF*. "Rebuilding Countries" are those emerging from and rebuilding after internal or external conflict. Examples include Iraq, Afghanistan, and Colombia. "Restrictive Countries" are states of concern where there are significant problems with governance and where there may be legislative prohibitions associated with funding. Examples include Cuba and North Korea. "Developing Countries" are low- to lower-middle-income countries that do not yet meet either MCC performance criteria or the criterion related to political rights; "Transforming Countries" are low- to lower-middle-income countries that do meet all those criteria. (The "red line" criterion operates the same way as the MCC criterion for "correction": countries that do not meet the criterion for political rights cannot advance to the Transforming Country category.) "Sustaining Partnership Countries" are states of middle income or above for which U.S. support is provided to sustain partnerships, progress, and peace. Examples include Mexico, South Africa, Chile, and Saudi Arabia.

Programs for a country are not bounded by the definitions associated with its country category. USAID and the State Department expect a mixed approach to ensure that programs meet a country's need. But collectively the expectation is that programs in one country category will look different from those in another.

**Charles North**, *Senior Coordinator for the Western Hemisphere, Office of U.S. Foreign Assistance, U.S. Department of State*

Following the *FAF*, reformers developed the *New Program Hierarchy* pyramid, an illustration of the structure that will underlie each program objective listed in the *FAF*. Thus, the program objective "investing in people" will be divided into the "program areas" of education, health, and social services and protection for vulnerable populations. The program area of education can be divided further into the "program elements" of basic and higher education. And primary education would be a "program subelement" within the basic education program element.

This structure allows USAID and the Department of State to record funding, analyze it, and report expenditures to Congress in each area. Each program element and subelement carries at least one indicator and sometimes several, a mix of "outputs" and "outcomes" for which USAID and the Department of State can be held accountable, tied to direct funding. Indicators for program areas and objectives are largely "outcome" measures, so that it can be shown whether or not programs achieve the desired results of transformational diplomacy.

Explanations of every element and subelement are now on the State Department Web site (<http://www.state.gov/f/reform/>). The indicators tied to each should be made public within a few weeks.

The *FAF* and *New Program Hierarchy* form the basis of a new five-year plan for foreign assistance that will include the *FAF*'s goals and lay out clear targets, mostly at the program-area level. This plan defines objectives clearly, thereby setting explicit direction for what USAID and the Department of State will and will not pursue.

In June of this year the Secretary of State approved initial budget levels by country for FY2008. Those levels were based on factors including country need, country commitment, and foreign-policy considerations. USAID and the State Department then formed country core teams and over the course of a few weeks allocated funds to the program element level for over 150 countries. Because the process moved so rapidly, increasing the possibility of error, three levels of review were included: first with core team leaders, second with the regional bureaus, and third when the Secretary of State herself reviewed the plans and

made adjustments. USAID and the State Department are now working with OMB to prepare the budget for Congress.

So as not to have to wait to launch the effort until FY2008, the reform also translated the FY2007 budget as approved by Congress to the program element level. Missions were asked to review these priorities as set in Washington, and will now have to decide how to achieve the newly defined objectives with the resources they have. Guidance for those operational plans will soon be ready. It will be reviewed within the U.S. government first and then shared with partners. Training in the field and for the regional bureaus in Washington began at the beginning of October. Operational plans are due from missions by the end of January and will be implemented once Congress is notified. Guidance for FY2008 operational plans will be issued in the spring, with the aim of preparing FY2008 operational plans by the end of September.

### **REPORTS FROM BREAKOUT DISCUSSION SESSIONS ON FOREIGN AID REFORMS**

The meeting broke into small groups for discussion, following which the moderator from each group reported to the full body on significant points of agreement.

#### **John Chromy, *CHF International***

It is not clear how communities and other stakeholders will be able to participate in this new ordering of priorities. Good sustainable development requires the active participation of the people affected.

Those in international development have learned well how to measure outputs and outcomes in certain arenas. The new system should make sure not to lose what is already known.

In the *FAF* chart, crosscutting issues like “the environment,” “youth,” or “gender” appear only once or twice. It isn’t clear how they will matter if at all.

It is unclear whether under this new system the emphasis on security and stability will override long-term development goals.

#### **Spencer King, *International Executive Service Corps***

This reform offers an ideal opportunity: a chance to change things the aid community has complained about in the past, a chance to reduce duplication so that worthy projects receive more funds. Accountability—which was mentioned

several times today—is very important. It also appears that these reforms have a better chance to be sustainable than those of the past.

But the process should go even further. The earlier presentation was excellent; it should be shared with NGOs in the field and with host nations' ministries, with great care taken that both fully understand the changes. PVOs oriented toward humanitarian efforts are concerned that everything in the new plan is top-down, without enough analysis of needs and enough of a voice for the field. PVOs are uncertain what USAID missions' priorities will be next and to whom they will be answering.

ACVFA should offer PVOs a chance to visit USAID in small groups to find their proper roles in this new approach. USAID should recognize that different classes of PVOs pursue different objectives rather than assuming that all have the same goals.

**Frances Marine**, *Senior Advisor for Public Affairs to the Director of U.S. Foreign Assistance, U.S. Department of State*

The new system should make priorities and goals clearer, which in turn should make it easier to coordinate with other donors and meet the goals of host countries. New indicators could facilitate progress.

At the moment, however, uncertainty in the aid community is affecting nonprofits. There are important unresolved questions about the future of contracting. Some wonder whether these changes move too ambitiously, too quickly, limiting the opportunities for public comment. There should be more forums to allow PVOs to comment on these and other crosscutting issues, such as the future of branding and requirements for partners on the ground.

**Richard Stearns**, *World Vision*

The new system should clarify the priorities and objectives of U.S. foreign assistance. In particular, the newly transparent system of accounting for allocations should reveal where money is really spent, a surer sign of priorities than any other. At the same time, a results-based set of metrics may make it easier to show Congress and the American people that aid does achieve tangible successes.

Unfortunately, the reforms do not address the important issue of sector and country earmarks. Strategic planning such as this will not truly be relevant if appropriators' earmarks have already effectively locked in plans. It is also unfortunate that this process is only voluntary for agencies other than USAID and



the State Department, rather than binding on all agencies engaged in foreign assistance.

Some are concerned that State Department priorities and objectives may override humanitarian concerns. For example, perhaps the United States will overlook corruption in a government if it is a key ally in the War on Terror.

Perhaps because of the abbreviated timeframe, so far ACVFA has served the function of reporting to the PVO community what is already underway rather than allowing for real consultation. The process has proceeded without meaningful input from PVOs, communities around the world, or even Congress. Whether or not these reforms survive into the tenure of the next President may depend on how consultative and bipartisan the process is now.

**Theodore Weihe, *Land O' Lakes International***

The new system better organizes and coordinates programs, which should lead to more cohesive efforts. These reforms could stop the diffusion of USAID resources to other agencies and strengthen USAID's role. It is hoped that USAID will once again be able to direct the agenda in matters of development.

At the same time, it appears that the new mechanism is based on the PEPFAR approach, which may not fit USAID's work in all its complexity. For years USAID prided itself on bottom-up budgeting. This new system takes the opposite tack. The field should have opportunities to participate fully.

While it is a good idea to reduce the number of indicators, at the program-element level those indicators deal with "outputs," while up the scale they shift to "outcomes." Tracking outputs could help track USAID resources, but measuring results means attributing causes to changes, which is much more difficult.

While the new Foreign Assistance Coordination and Tracking System (FACTS) is not yet fully understood by all participants, many feel it could be helpful.

There should be more opportunity for consultation. ACVFA meetings heretofore have been closer to briefings. In particular, PVOs could be of real help in developing indicators and consulting with partners on the ground. It is especially difficult for small PVOs without a presence in Washington to participate in this process, so USAID should consider a special effort to reach out to them.

Ultimately Congress will make the final decisions in these matters. PVOs could help sell these ideas to lawmakers and to partners in the field, but they would like some of these other concerns—such as procurement—dealt with positively.

**Kenneth Wollack**, *National Democratic Institute*

This process should reduce if not eliminate redundancy and competition among agencies engaged in foreign aid. Involving State Department officials in all decisions should also enhance their understanding of development priorities.

But greater State Department engagement could also potentially lead to greater politicization, unless participants draw fully on PVOs' technical expertise. The country-team approach could also potentially eliminate or at least devalue regionwide programs. It is not yet clear whether USAID will influence the State Department or vice versa.

The monitoring process should not apply identically to all programs. Some programs require qualitative indicators; not all can be measured using a PEPFAR-like approach. Some participants are concerned that the quarterly and yearly monitoring system could erode funding in the long term. It is also not clear whether new funding mechanisms will be put in place.

The fact that all decisions so far have been made in Washington has marginalized the views of local partners. There should be a genuinely consultative process that involves PVOs and NGOs in strategic decisions, and ACVFA itself should be made more diverse.

**Esther Benjamin**, *International Youth Foundation*

The new system should allow for better coordination, prevent duplication, improve partnerships, simplify and synchronize reporting, and offer more opportunities to build networks and hold dialogues. The desire to align programs with strategic aims is admirable, but could be challenging for PVOs working with multiple donors, and might not be clear when PVOs work at the program subelement level. The reforms should make allowances for multidonor environments, and make room to deal with countries' specific needs.

So far, this process has not adequately explored global or regional approaches to issues. Further clarity is also needed on the concept of investing by sector or objective: it is not yet apparent whether some columns of the *FAF* will be more important than others, or whether programs will be linked across objectives.

ACVFA should hold more participatory sessions involving more NGOs, and use PVOs and NGOs to hear the voices of those who may be affected by these reforms, perhaps through the "community participation" model.

**Sarah Jane Hise**, *Center for Global Development*

Participants support the effort to coordinate USAID's and the State Department's many programs, and to systematize efforts now sometimes driven by personalities. But the reforms may not be ambitious enough, as they do not affect the many other agencies that deliver foreign aid. There is also a fear that long-term goals may be sacrificed to meet short-term priorities.

It is not yet clear how strategic priorities will mesh with implementation plans and work on the ground. Specifically, it is not clear to what extent country priorities will be taken into account. It is also not clear whether efforts are still underway to improve procurement efficiency and effectiveness.

If the list of thirty-five countries put on the fast track for these reforms is not yet public, participants request that it be made public. Participants also request greater participation in this reform process, and suggest that USAID consider hiring a full-time NGO coordinator to take PVO ideas into account.

**Jean Rogers**, *Center for International Private Enterprise*

These reforms should lead to improved coordination and coherence among USAID and State Department programs—in theory. It is not yet clear how they will work in practice, however, and in particular how they will affect workflow. If the reforms do represent a real change and not merely a different budget process for business as usual, reformers should be careful not to upset established relationships and programs that do work.

The reforms could lead to fewer mission-director pet projects, but that would not be an advance if it simply allowed more ambassadorial pet projects. Conversely, if the new process is more strategically driven from the top down, it could become less creative.

Indicators should be developed at the field level with the help of the PVO community, so that they fit the work underway. USAID and the State Department should provide structure to allow PVOs to offer their opinions at both the strategic and operational levels.

**Gregg Willhauck**, *Center for International Private Enterprise*

The new reforms should provide more transparency and coherence among State Department and USAID programs. But while it is easy for a reform to succeed while foreign-aid levels are rising, it is hard to foresee what will happen when those spending levels fall. Meanwhile, USAID staff members appear to have gone from development practitioners to contract managers, and the reform may hasten that trend.

It is not clear how the reform structure takes into account other countries' views. One participant, a representative of a foreign donor, said that that nation would appreciate a more obvious U.S. contact. Coordination with other donors and partners is especially important in countries that lack an effective government. It is also not clear how these reforms align with the earlier vision Secretary Rice articulated of diplomats operating in far-flung outposts working directly with civil society and indigenous stakeholders.

**Aaron Williams**, *Society for International Development*

The general idea of joint State Department and USAID planning is highly desirable, and PVOs are pleased to see that the reform approach is driven by results, similar to recent reforms in the private sector.

PVOs are concerned, however, about the new so-called "crosswalk process" between new program objectives and existing development-assistance accounts. It is also not yet clear how earmarks will be handled, and whether the new structure will bring USAID and the State Department into a meaningful dialogue with other leading donors.

Given the scope and speed of the reforms, USAID should consider rolling out a modified training program aimed at improving partners' ability to participate. USAID has done this routinely in the past. USAID should also consult annually with the PVO community in forums such as ACVFA to see how the changes are affecting PVOs.

**Alina Zyszkowski**, *PADCO*

The new system should improve transparency and coordination, and make it easier for both the State Department and USAID to report progress to Congress.

PVOs are concerned, however, that regional and crosscutting issues such as the environment and gender are not addressed in the new *FAF*. In addition, the MCC does not appear to be part of these reforms, yet it represents a major element of the U.S. foreign aid budget.

ACVFA should continue to have consultative events such as this one.

## **SUMMARY OF BREAKOUT SESSION REPORTS**

**Laura Wilson**, *Senior Legislative Advisor to the Director of U.S. Foreign Assistance, U.S. Department of State*

The Administrator will see the breadth of today's remarks. USAID wants to engage PVOs as partners in reform, and understands that that process is only the beginning. In summary, groups reported the following:

- PVOs appreciate the promise of improved organization, coordination, cohesion, and transparency.
- They also look forward to a more results-driven process.
- It should be made clearer, however, how the reform will address crosscutting issues such as gender and the environment.
- PVOs would like more opportunities to participate in the reform process and better communication with USAID. They would welcome more genuine consultation, would like to help develop new indicators, and are willing to help spread the word about the reforms at all levels. USAID should offer more structured opportunities for such consultation.
- Voices from host countries and the field should also be better integrated into the process.
- PVOs are concerned that aid could become politicized, with short-term diplomatic priorities overriding long-term development goals.
- USAID should undertake a conscientious review of procurement and staffing models to make sure they are compatible with the proposed reforms.

At the next ACVFA meeting, USAID will report the results of these recommendations.

**Dirk Dijkerman**, Chief Operating Officer of the Office of Foreign Assistance, thanked PVO representatives for their participation.

### **CLOSING REMARKS**

**Mr. Homan** thanked the staff of the Foreign Assistance Office for its help in designing the structure of afternoon's discussion, and thanked attendees for their participation.