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International Development

Advisory Committee on Voluntary Foreign Aid

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MALE SPEAKER: Again, ladies and gentlemen, good afternoon. Welcome to the ACVFA board meeting. If I could have your attention for just a moment, for some housekeeping before we begin. Again, if I could ask you, at this time, to please silence your cell phones, to ensure that our program will not get interrupted. But if you are an active Tweeter, we will have Twitter handles and hash tags on our slides, so you can participate online.

Again, just a last housekeeping note: If you need restrooms, they're right out the door and to your left. And again, my apologies, we are having an issue with the center chandelier, so again, you do not hear crickets. Unfortunately, it's an issue with the circuit, so my apologies in advance for that.

It's now my honor to introduce the chair of the ACVFA board, Jack Leslie.

[applause]

JACK LESLIE: Thank you. I'm glad I'm not sitting under the center chandelier. Good afternoon, everyone, and welcome here this afternoon. These are, certainly, not the dog days of summer. We just got through our luncheon upstairs, and

reviewing what's coming up even just in the next few weeks. And so, we'll have, I think, a good discussion today. And I'm happy you're all here at this very important time. We've been through a number of global tragedies of late, arranging from natural disasters, like the earthquake in Nepal, and regional conflicts, as in Syria and south Sudan, in the Central African Republic. All of those things have really reinforced the critical need for development assistance. And now, we're about to embark, as you all know, on a number of important events that will really, I think, serve to chart the way forward for international global development.

In the next few weeks, I guess starting, I think, on Saturday or Sunday, many of those in USAID's delegation will leave for Addis, for the Financing for Development conference. And we then have, shortly thereafter, the very exciting prospect of President Obama's fourth trip to sub-Saharan Africa, where he'll go and lead off with the -- with the global entrepreneur summit in Nairobi, and then go onto Addis, to speak to the African Union. All of this, of course, creating momentum for we hope the adoption of the sustainable development goals in September, and the codification of a new international climate change agreement in Paris, at the end of the year. So, we are about ready to launch into six very, very active months, for all of us

who share this interest in eradicating poverty, and in global development.

Today, we're going to take a little bit more of an introspective look at USAID's most ambitious reform agenda. First -- the first panel, we -- led by Patricia Rader, and she and her panelists are going to be looking at the forward today -- I mean, at USAID's Forward efforts to date, not only sort of where we've come from, but importantly, what we think the next steps will be in that agenda. And then, Erin McKee will lead a panel discussion on local solutions and practice, and is going to be taking a look at an area that is not only at the heart of USAID Forward, but is close to the hearts of the entire development community, and that's country ownership, and the promotion of local solutions -- solutions to local challenges.

Before we begin the meeting, I did want to take a moment to thank Ambassador Lenhardt for his outstanding leadership as the Acting Administrator. We were talking about Raj being a hard act to follow. We've certainly done this with Al. He has lent extraordinarily strong leadership, and continued, I think, a culture of excellence and global leadership that has come to mark USAID and their success. As all of you know, he's had a long record of public service, in the military, and then as

sergeant of arms in the United States Senate. He was, not long ago, confronted with -- at USAID anyway -- his first crisis, in having to rush off to Nepal, where he and an outstanding group of 134 members of USAID's Disaster Assistance Response Team, who literally arrived in Nepal within hours after the earthquake hit. We're now -- have already allocated \$62 million to the effort, and we'll have a total, I'm told, of \$130. Is that right, Al? Or thereabouts, to the earthquake response. So, we're appreciative, again, of your leadership, sir, and the floor is yours. Thank you very much.

[applause]

ALFONSO LENHARDT: Well, thank you. Thank you, Jack for those kind comments. I will tell you that I'm having fun -- a lot of fun to be had, but as I think about the contributions in the work ethic of Raj Shah, the word that comes to mind, for me, is "indefatigable." Raj was everywhere, and I get a good sense of what he achieved in the period of time that he was here, as the Administrator. And I can only just thank him, you know, as often as I can, for the work that he did in a very short period of time, in terms of elevating, yet again, USAID, in the minds of so many. And certainly, making huge -- I should say, inroads, into the Hill and the whole culture of Capitol Hill,

and the members of Congress, along with many others. And so, anything that I'm doing now, Jack, is a result of what Raj left for us, and we continue to press forward with. And as I've told you all, and from time to time, my focus remains on management. How can we now institutionalize as much as we possibly can in terms of the reforms that have been done -- undertaken, as well as some of these critical programs initiatives and projects around the world. And so, I will continue to focus on that, for as long as I'm here, and my hope is that we can get Gayle Smith confirmed as quickly as possible, so I can spend much of my energy doing just that.

Now, I speak for the entire team at USAID when I say we are fortunate to have you, Jack, as a partner, an adviser, and friend, and that also goes for the entire advisory committee. I thank you, publicly, for the work that you do. It's invaluable. You add so much to our ability to continue to aspire to become a learning organization. And just the period of time we had upstairs, talking about some critical issues with the members of the advisory committee that was well worth every minute. And I learned so much more about some of the issues that we're wrestling with, and I will continue to do that as we make the outreach to you, and the members of the advisory committee. So, thank you.

Every single member of ACVFA has been an essential partner in advancing USAID's mission around the globe, and I want to thank, as I said, each of them for their service and timely guidance. Your partnership has been especially valuable at USAID, and the entire international development community has embraced our new way of doing business. And I say a new way of doing business, because I have a good sense, and I've been around long enough to know that you don't scrap everything that you've done in the past. What we're doing is building on the great work of so many outstanding professional developers who, over the years, in this organization and you -- coming up on our 54th anniversary, later on this year -- have done so much work to get us started, to get things done, and to establish the reputation of the organization. Moreover, the legacy of the organization. What we now have to do is build on that, and take it to the next level. And leave something for the folks who come behind us, in terms of what they, then, will do. And so, the notion of scrapping everything, as you see from time to time, a change of personality, or change of administration, is that we scrap everything, and we're going to get it right this time. I hope people -- I try to dissuade people of that, because it really is wasteful, and we need to do a better job of thinking through, exactly, how do we build, and how do we sustain an organization?



Five years ago, President Obama called for the elevation of development as a key pillar of American national security and foreign policy. Because the president understands something I have seen throughout my career: Smart and compassionate development efforts around the world make us safer and more secure at home. When we get it right, threats turn into opportunities. We make new friends, and we forge stronger partnerships. This is the driver behind USAID Forward. Time and time again, we are seeing how these reforms are increasing our impact around the world. And one of the things that I say to our team is, "How do we think about working ourselves out of a job? Where will we -- wherever we may be in the world?" The first thing going into a situation is, how do we work ourselves out of a job?" How do we create the right environment? How do we establish the right competencies for the country, so that we, then, can go elsewhere and work our magic in the same way that we worked in the country that we're in at the time?

I used to have this conversation with President Kikwete in Tanzania. He'd thank me in Swahili, [speaking foreign language], I mean, there's many things, in any way he could say to the American people, to me, representing the American people. And I used to turn to him and say, "Mr. President, how are you

going to sustain these programs?" Because the object of this enterprise is how we work ourselves out of a job. And how do we prepare you to step up to the important work that you see being developed, being undertaken in your country? The first time I told him that, you should see his face. He blanched. He wanted to say, "Oh my god, are you leaving?" No, we're not leaving now, but eventually, we will.

And that's what the Presidential Policy Directive Number Six is all about. Rather than salami-slicing precious resources and distributing around the world, so that no one gets better, how now do we focus on countries, so that we can get them up to a level - middle income status - that they then can sustain themselves? And then, we go elsewhere and do the same thing in terms of bringing other countries up to a level where they can sustain themselves. That's what it's all about.

Our laser focus on results has helped rebuild world class monitoring and evaluation systems. Our investment in innovation has led to breakthrough solutions to some of the world's toughest challenges, from Ebola to child mortality. And our support for local solutions will sustain progress to continue long after USAID has left a country's shores.

The panelists later on this afternoon will discuss, in more detail, the progress we have seen come from this approach. But I wanted to start this session off by emphasizing why our success and lessons learned are important right now. As Jack mentioned, 2015 will be a pivotal year. In September, world leaders will come together to adopt the new next generation of global development goals. These new goals will provide our efforts to end extreme poverty around the world by 2030. They will establish the guide posts. We will establish the guidelines to get us to the point where we can truly say we've ended world poverty, extreme poverty, by the year 2030. I think it's possible, ladies and gentlemen, I look forward to the challenge as we move forward. But to get there, we need to be open to new paths.

Fifty years ago, external public financing accounted for over 70 percent of financial flows to the developing world. Now that number is only nine percent. With the development financing landscape so greatly changed, and our goals so ambitious, we have to look to new funding resources. International aid remains vital. But the simple fact is that there is not enough of it to tackle all of the problems around the world.

So, we also have a need to work across governments, and across

sectors, to create strong incentives for new private investment. We need to work with partners of all kinds, from traditional donors to private philanthropy to local businesses, to fully leverage their resources and expertise. Only with this kind of all-hands-on-deck collaboration can we lift 1.2 billion people out of extreme poverty. Only by pursuing diverse partnerships and supporting local efforts can we turn good ideas into lasting results. I plan to make this case in Addis Ababa next week, where leaders from countries and organizations around the world will gather to discuss ways to strengthen global development financing. The conference represents a tremendous opportunity for international communities to commit to supporting more sustainable development financing. And, in part, because of the work we have done with USAID Forward, over the past few years, the United States has a lot to bring to the conversation.

Over the past few years, we have learned new best practices, and shared challenges that will help the international community identify the best opportunities for mobilizing investment and, indeed, enabling innovation. This is especially important in fragile and conflict-affected states, where roughly half of the world's extreme poor reside. And oh, by the way, in the next few years, it's expected two-thirds of the world's extreme poor will reside in those areas of the world. I think it's growing

exponentially, and it's something that, you know, certainly we -  
- none of us want to see, but that's the trend that's happening.  
I read an article recently where it is estimated that between 55  
million and 60 million people right now are either refugees or  
internally displaced persons in their own countries. Not since  
World War II have we seen that kind of displacement on the  
planet. The implications of that, just too mind boggling for me  
not to worry about, and keep me awake at night. And I'm sure  
many of you have the same view, as you think about your work in  
this noble field of development.

We will need to leverage more creative approaches to help build  
sound institutions and spark private investment in these  
societies that are dealing with fragile and conflict-affected  
states. And whether it is to combat disease or address a  
refugee crisis, we have seen the power of our money to catalyze  
further investment. I know the USAID team members and partners  
participating in the panels this afternoon have plenty of  
examples to share, and I'm eager to get to that discussion. So,  
thank you all for being here today, and for all that you do to  
make the world a better place. I cannot think of a more noble  
undertaking than the outreach that we extend and the American  
values that we certainly offer to the world for the world to be  
a better and a safer place. That's what we do.

I was once asked, why are you involved in development having been involved in a career in the military and ambassador. And my response is, "Because I have seen the worst side of things, and so, I'm hoping now to help improve, and to rectify, some of that -- you know, some of that deplorable situation that I've seen in my career." I thank you for the work that you do around the world. I thank you for the work that you do every day to make the world a better place.

Jack, to you and the members of ACVFA: Again, thank you. I appreciate very much your support. And ladies and gentlemen, my best wishes for a fruitful afternoon, as you now will hear from the panelists. And I think you'll be most impressed with the information that they will share with you, and I will ask you, also, to challenge us in terms of what we offer because that's how we improve. My aspiration for USAID is that we become, truly, a learning organization, and that we learn from the things that we do, we undertake, and we make corrections where it's necessary. Thank you very much.

[applause]

PATRICIA RADER: Good afternoon. Does it work? Yes, it does.

Great. Thank you all for coming this afternoon. It's great to see so many people interested in these subjects. Thank you. You're looking at your program. I'm Patricia Rader. I'm the senior deputy in PPL, where is the policy bureau here at AID. And our panel today consists of Susan Reichle, who's USAID's counselor; Sam Worthington, who's the CEO for InterAction -- President and CEO of InterAction; and my colleague here to the right is Peter Natiello, who is a mission director in Colombia. And we'll be talking about progress in USAID Forward, since the beginning in 2010. And I'll set out just some questions that we'll be asking the panelists to answer, and also for you in the audience to think about, and then the Q&A session. Any questions or additional comments you'd like to add.

So, as the world coalesces around a new set of global goals, as we've heard from the ambassador and others, what lessons can we take from the USAID Forward agenda that we've been working on these past four years? And as we've heard Mr. Leslie and the ambassador say about the critical moment that we're in the next six months, how important this time is, but in many ways, we've been building up to this moment for years. Where have we had successes to build on over the past years and where do we still face challenges that we will need to double-down on? I think I want to start first with Susan, if you don't mind.

We started USAID Forward in 2010, as I said. And during that time, I think some of us forget, we stood up PPL, where I work. And we stood up the budget office, BRM, because AID had been without its own policy and budget office for some time. And I think some of us take it for granted, but it's clear that we need to continue to have these functions and these offices at the center of AID, for policy and budget. Susan, you were there at the beginning, AA [Assistant to the Administrator] of PPL, and since then, the Agency counselor. You've been overseeing this broad set of reforms that touch every part of the agency for the past four years. And I know I, and others here, would like to really hear your views on the progress since that time.

SUSAN REICHLE: Great. Thank you, Patricia, and thanks to everybody. It's great to see a full house. There are a couple more seats here, so please come on in, so you don't have to listen from the rafters. But I think the reason why there is such a full house here today, as we're talking about the USAID Forward agenda, is because everybody in this room, in some way, has been involved in this. This was really about bringing development back, and as the ambassador laid out, really about the presidential policy directive on global development. And what was laid out there, was a challenge to all of us in the



community to really deliver on that directive. And every year, as you know, we step back, and we look at how are we doing? And we do that based on the data from the field.

So, I'm thrilled that both of our panels were really fortunate to have our mission director from Colombia here, Peter Natiello, as well as our mission director from Bangladesh, Janina Jaruzelski, to talk on the second panel because ultimately, it is about the work that we're doing in the field. And it -- the directive, while it created lots of reforms, obviously, back here -- ultimately, those reforms were about really delivering better development in the field. And just to give you a couple of examples -- and we just had the mission directors here, 25 of them, this week, to be able to step back and reflect, not just on what has been achieved, but frankly, the challenges. And I hope we'll get into that, and we want to hear your voices on how we move forward.

But if we step back, and we look at just where we were five years ago, as you know, one of the big reforms was bringing policy and strategy and budget alignment, budget resource management, back into the agency. We had lost that capacity. And just to illustrate this, I was saying to Peter, we didn't plan this in advance, when we were putting the panels together,

but when I was the mission director in Colombia, my ambassador had said to me, "We need to have our development strategy ready to go." Well, we did a strategy, and it was aligned with our Embassy's. When I went to Washington in 2008 to have it approved, they said, "This is great, but we can't approve it. We don't have that ability back here." Nor did we have the ability to even share it with all of you, in the partner community.

Flash forward five years later. We have 50 country development cooperation strategies. And those of who you have read PPD 6, because of the FOIA request, know that CDCSs are actually highlighted in the PPD. And for those 58 strategies, for example, as our mission director from Indonesia reminded us yesterday, they consulted with more than 1,000 Indonesians as they developed their strategy. And I think that's true across all of our country. So, that is a huge step forward, to have just country development cooperation strategies developed with all of your input, with the field input, transparently shared on our websites, and then holding ourselves accountable. These are evidence based strategies.

Another example, as you saw -- and I hope you've seen all the data on our website, which we did release on USAID Forward, as

we do annually -- 224 high quality evaluations. And these aren't just high quality evaluations that sit on a shelf. These are evaluations that influence how are we going to be using our resources. Making mid-course corrections across the board. These are big steps forward, if we are going to all be an evidence-based development community.

And again, five years ago -- well, 10 years ago, when I arrived in Colombia, we were lamenting the fact that we had -- we had obligated all of our resources five -- for five years, from 2000-2005, under Plan Colombia. And we didn't have any evaluations to be able to tell us what worked, and what didn't. The evaluation policy, the first policy we launched in January 2011, isn't just a policy that sits on the shelf. Now, across the board, all of our missions are conducting this. Our second panel will talk about local solutions, and obviously, the partnership piece. But again, if you reflect back on where we were, we now have doubled the amount of resources that we have partnered with, locally with, civil society organizations, private organizations, as well as leveraging, obviously, with the private sector, with double the amount of DCAs. These are all things that we knew were absolutely critical, in order to achieve greater sustainable developments results in the end.

And then, finally, the last point I'd like to reflect on, you know, really, the last five years. We have been leaders in science, technology, and innovation. Meaning, not just USAID, but the development community. As we reflect on, obviously, the impact that we had on oral re-hydration therapy, and the green revolution, and it's great to see so many of our USAID alumni here, who were the leaders at that time, charging forth. And we lost that capacity, as you know. We really lost our ability to use science and technology and innovation, having the lab back, working through our missions. Peter will probably talk a little bit about how we're using that, at the field level. So, there have been really dramatic shifts, thanks to everybody's hard work, and I really applaud the entire development community on moving forward with PPD 6, which then leaves me very encouraged, as we move into this intensive phase.

Are we done yet? No. We have a long way to go. This is really about change management. And about organizational change for us within USAID, but it's also about change management for the entire development community, and how we think about our jobs. And what we heard, loud and clear, from our missions -- our mission directors this week, is we need greater flexibility, which I think everyone in this room would absolutely applaud, and simplicity in order to be able to move forward during these

incredibly complex times that we're living in. So, I will stop there --

PATRICIA RADER: Thank you --

SUSAN REICHLE: -- and look forward to the discussion.

PATRICIA RADER: Thank you very much. I think that's a perfect segue way to Sam. I think in your role at InterAction, you have a unique perspective to see across many different organizations, and to see how we're doing. And I know that your organization, particularly, has done some serious work in assessing how USAID Forward is playing out. So, we're particularly interested in your point of view about what change it has brought about -- not just in the agency -- but also across the development of -- more generally. And also, maybe what some challenges are that you see in the future.

SAM WORTHINGTON: Well, thank you, and thanks to ACVFA, to having this panel. Perhaps the best way to do this is breaking it into two big buckets, and the administrator -- acting administrator mentioned this first one -- the first part is the elevation of development. This -- the process of bringing development, the ability of AID to think, to create its own

policies, to manage its own budget, to have a sense of direction -- a sense of direction that is possible, routed in analysis that is coming from its own missions. So, I think that, ability to elevate development within AID, but elevated, also, within U.S. foreign policy in the White House, in the inter-agency, and so forth. I think that's an enormous first accomplishment.

All the while elevating it, the nature of development has changed. So, it became an issue of adopting new business models. The fact that we're down to nine percent of resources flowing to the emerging markets developing world means you've a fundamentally different mode of doing business: Different actors, different ecosystem, and a lot of this was codified in the Busan Global Partnership for Effective Development Cooperation. And in my view, this was the U.S. Government adopting these best practices within itself. To what extent are -- is the U.S. Government being transparent? Embrace [unintelligible]. Begin publishing towards it. Make enormous steps. And like, each of these, it's a path. It's not -- you're not there yet, but there's a ways to go. A recognition that it's about partnerships, and about leveraging different actors, about leveraging/engaging the private sector, about the critical role of civil society, the critical role of government, and how three -- all three of those are essential, but

ultimately, owned by local actors. This gets to -- we'll get into the second panel on local ownership, but the key, in my view, is the shift -- not just to local ownership as in government country ownership, but a whole of society ownership. And this ability of the U.S. Government to look at the enabling environment for civic space, but also for the private sector. And I think that's an area where we're going to find some challenges, going forward.

Tremendous -- I don't know if it was mentioned -- but tremendous work on monitoring and evaluation. And moving now from the number of evaluations that have taken place to a learning environment. So how do you take these evaluations and create a learning environment within an institution. And you know, which then gets to this issue of technology, innovation, scaling, taking ideas, and moving them across this different ecosystem. If this didn't sound challenging enough, I think USAID's come tremendously far in this -- and yet, we face an environment where we must begin to address the political imbalances of power that have come with resources. The whole concept of inclusive development means bringing in other actors, and that issue of inclusivity is not going to go away. It is particularly acute in fragile state environments, where the issue of participation is that much more difficult. It gets worsened by climate and

shocks, and is part of this broad issue of the enabling environment for civil society.

So, I think that the -- if we had an issue over the horizon that we're going to have to deal with, it is the nature of inclusive development, and the challenge that that is going to bring, long term, particularly in fragile environments. And how does USAID adapt its policies within a future USAID Forward, as it takes this on?

But I think just to end on a real positive note, that it is -- it is hard to say that this is the same agency that it was five years ago. I think you need to recognize the tremendous amount of effort that has gone into moving this agenda, and shifting AID from solely an implementer of projects to a leader in the development space. And I think that's the shift that's there. A leader -- I said a leader, not the leader, and I'm not just comparing AID to other official development actors, but the private sector, civic actors, universities, media, and others, is recognizing that you are one of many to move this agenda forward, which obviously is a big impact on internal culture, and so forth. And I think our challenge, coming from the civic side, civil society side, is that we then need to meet you halfway.



PATRICIA RADER: Thank you very much, for those really inspiring comments. Thank you. So, Peter, over to you. To the field. And I have to say that as an ex-mission director -- you never want to an ex-mission director. You always want to be a mission director.

[laughter]

SUSAN REICHLE: It's true.

PATRICIA RADER: But the heart of USAID Forward is really to ensure sustainable results, as we work with all our partners overseas. So, very eager to hear from you, how those -- how the reforms are playing out in Colombia? And what's some of the progress that's been made? And maybe some of the challenges, as well.

PETER NATIELLO: Thank you, Patricia. Is it on? I got it. Yeah, thanks. Thanks, Patricia. And just a very special thank you to all of you. You know, I've worked in USAID presence countries for many years. I know that many of you represent contractors and recipients. And your staff and your people are folks that we grapple with problems with on, every single day.

Difficult, challenging problems. And you know, for the most part, everybody fields great teams, and we do great work together, and it's wonderful to be in a room with all of you, so thank you very much.

Let me talk about, just -- let me take off -- let me pick up where Susan left off, a bit. Because we really have embraced these reforms in our mission in Colombia. And on the strategy front, on the evaluation front, on the partnerships front, those are all part and parcel of the work that we do, down in Colombia. I -- you know, listening to Susan, I'm just reminded that the Agency has always had a strategic planning function, but there was a time where sort of lost it, right? When I walked in this afternoon, I saw Ambassador Jim Michael. And Ambassador Michael was the -- he was the assistant administrator for Latin American, when Susan and I shared a desk together --

SUSAN REICHLE: We did.

PETER NATIELLO: -- in that bureau, 20 some odd years ago. And the first meetings that I attended at the Latin America Bureau when I was an international development intern in 1991 and 1992, where action plan reviews and strategy reviews chaired by Ambassador Michael. And they were rigorous meetings. And there

were serious questions asked at those meetings. And the focus was -- are that -- those meetings emphasized focus and concentration. And so, I think strategic planning has always been a part of our DNA, but I do think there was a period where we moved away from it, right?

I'm happy to say that I didn't have the same experience that Susan had. You know, we were asked to do a strategic plan in Colombia. We just -- it took us about 18 months to do it. We finished it. It was approved last May by the Agency. It's focused on this very strategic challenge of helping Colombia transition out of this 50-year conflict, and move toward peace. It's got four very well-defined development objectives on things like strengthening state presence in conflictive regions, in supporting Colombia's own efforts to reconcile after this long conflict, in supporting Colombia's efforts to build a more equitable land and rural development sector, and to support Colombia with its environmental challenges in the areas of protecting biodiversity and global climate change.

It's absolutely an important part of our work. It's our North Star. It's our touchstone. It's what we go back to, to know if we're on the right track or not, right? We have measures that go along with that strategy, that tell us whether we're moving

in the right direction or not but it's a critical management tool for the mission.

Let me just -- let me switch to the issue of the new evaluation policy. So, again, that's an area where our mission has a strong evaluation plan in place. With respect to our strategy, we're investing about 230, \$240 million in consolidating state presence in conflictive areas. But we need to know what we mean by consolidation. How do we measure that? We have 37 easily collective metrics, right, that we look at on an annual basis, to make sure that we're moving in the right direction. Is institutional presence really strengthening? Is governance getting better? Is citizen participation increasing or decreasing in these areas? So, we have a dashboard of some really useful metrics and management tools that help us know whether we're on the right track or not. So, again, I think that was part of our DNA in the past. I think we lost it for a while. But with these -- with these recent Agency policies, we've gotten back to it. And it's just the smart -- it's the right way to do development.

Partnerships are a critical piece of our work in Colombia. We're a -- donors in Colombia are small, relative to Colombian resources. We're absolutely a -- we're a minority shareholder

in Colombia's investment. Our ambassador often says, "Plan Colombia was funded at the rate of a 96 percent by Colombians, and four percent by the United States." And that's a pretty good ratio. So, what that means, for us, going back to your nine percent comment, Sam, is that we need to partner in Colombia. And we partner with government institutions, we partner with private sector -- private sector institutions, we partner with civic society institutions. It's absolutely a critical, critical tool in our toolkit and we'll certainly continue to do that, as we move forward.

And the other piece of this conversation that's ringing in my ears is our administrator's comment about the importance of reducing our footprint, making sure that we have the right resources deployed in the right places. Part of our strategy in Colombia is to continue investing through 2019, and then we're going to take a hard look to see whether Colombia continues to need an assistance relationship with the United States or whether we start to transform that relationship to more of a partner relationship. Colombia, as probably many of you know, has begun to really export its own -- its own assist -- its own technical expertise, not only in the security and law enforcement areas, but in the development area. Colombia is exporting its expertise at reintegrating ex-combatants, at

making reparations to victims of conflict, at restituting land to people who lost it during the conflict.

So, Colombia is going to places like the Philippines, like the Democratic Republic of the Congo, et cetera. So, how do we, as USAID, we think about the next steps, when we think about where we're going, we need to think about how we can work with Colombia to strengthen its capacity to get its terrific human capital -- its terrific lessons learned, and it's high impact work, out to other countries in the world, so it doesn't only fall to the United States, right?

PATRICIA RADER: Good. Thank you very much. Well, that's a lot of information from different points of view. And so, now we're at a point where we can open it up for, I think about 10 minutes of -- wait just a sec -- 10 minutes of Q&As. We'll try to get to everyone. For those that we don't get to, you can send your questions to the website, the ACVFA website. So, with that, please raise your hand, and we'll get a mic to you. Oh, okay [unintelligible], thanks.

JOHN COONROD: Thank you. John Coonrod, with the Hunger Project. And I've been a -- like most people here -- a strong supporter and lover of USAID Forward. And one of -- I wanted to

raise a question of Susan's, specifically, because one of the unfinished pieces. Susan and Sam, and many of us, were in meetings to look at how the private resources and NGOs could be leveraged more strategically with USAID. And we thought there for a couple of years that NGOs could participate in the global development alliances. And it turns out that we couldn't. And so, Raj Shah promised to create a new NGO-flavored window, like the GDA, but I haven't heard anything about it. So, I'm wondering, is there going to be a possibility for the same kind of equal and strategic partnership with NGOs and USAID, other than RFAs, RFPs?

SUSAN REICHLER: Thank you. Great question, John. So, thanks for raising -- and we were just talking about this, this morning, with our new class of foreign service officers, who are coming in -- many of them who had been in the partner community, and working with us. Because, absolutely. We have to. I mean, we cannot continue to work in the same traditional way moving forward. And we actually have started that, through the development innovation accelerator, which you may have heard Raj talk about, before he left. And he really -- I know -- wanted us to be able to highlight that even more, and going forward. Because this really provides us with an opportunity to co-design together. To implement as partners. Because it's no longer, as

we were saying to our new foreign service class this morning, it is no longer about us designing the perfect way to do something, and putting it out there and not really entering into it as an equal partnership.

So, our procurement team, I think, I saw some of the folks here from our management bureau working really closely, particularly with the Lab, I know, in order to build this new approach. Which we have heard -- I was actually in Peru not too long ago, with about 25 missions. We were doing a science, technology, innovation partnership summit, and I was really pleased to hear how many of the missions are actually using the BAA, or the DIA, however -- whatever acronym you use -- in order to really do the co-design. So, we'll make sure we get out more information on that, because I think it's still a little too under the radar. So, we'll use ACVFA. This is a great platform to get that out.

PATRICIA RADER: Good. Was there a question over here? All right.

PAUL MILLER: Paul Miller, Lutheran World Relief. And thanks very much for this opportunity. And I also recognize that USAID has its mojo back.



[laughter]

You have -- you have changed, in so many ways. And the question is really for Peter, I think. I went back to Colombia, after being away for nine years, last year, and saw remarkable changes -- and positive ones. And also, some of the persistent challenges that you mentioned -- our own local partners being threatened, and some of those residual efforts of conflict. My question is about how these changes at AID have helped you, particularly in terms of the complexity of the partnerships? Again, it is -- it is, you have the largest number, referring to Ambassador Lenhardt's intro. A middle-income country, yet with the largest number of displaced people in the hemisphere. Huge problems -- with the controversial export of the Colombian model to Central America -- at least, in this town. So, again, a lot of -- a lot of things to discuss. But in -- I do think that the Colombia scenes, with its conflict heritage, with the climate change, with the middle-income status, and all of its resources -- is maybe also something a model for what needs to also be applied in other parts of the AID world? So, how has these changes at AID helped you, particularly with this issue with the complexity of partnerships in a place like Colombia?

PETER NATIELLO: Yeah, no. Thanks for that question. So, the

reforms -- I mean, the reforms have helped us just to get our -- get our heads straight strategically, right? They've helped us to take a much more disciplined approach to collecting data, on where we're going, strategically. You can't manage if you don't have data, right? So, we want to make sure making evidence-based decisions, which is a big part of the reforms. And we -- you know, we love the push toward partnerships. I get it. Like, not every USAID country is a Colombia. We have a very special set of circumstances, and a very special set of assets, frankly, in Colombia, that we need to build on. And to have that, you know, written and codified into Agency policy just helps to redouble our commitment to those kinds of approaches. It really helps us understand that Washington's, you know, got us covered on these issues. It's just -- it's just the right thing to do.

And so, we're not out there making things up, right? This is just part of our corporate culture, if you will. It's part of our agency culture, and it's precisely what we should be doing. And again, I'm just -- I was just -- I was up on the Hill yesterday, and I spoke to a congressman who was responsible for an important directive that our mission uses to support Afro-Colombians and indigenous, who are by far -- they take the brunt of, you know, these terrible consequences of the conflict.

Because they live in that other Colombia, that conflict-ridden Colombia. With the -- with the resources we use to this directive, for every dollar that we spend, we've been able to leverage \$6 in somebody else's money: Private sector money, Colombian government money, even community contributions. So, that's just precisely what we need to be doing, as an Agency. And I agree with you, that it's good we do it in Colombia, and I'm glad that our agency's taking that approach worldwide.

PATRICIA RADER: Thanks. There was a -- there was a hand up -- yeah.

PAMELA PINE: Hi. Pamela Pine, I'm from Planet Aid. And we're one of 31 member consortium organizations in the field under Humana People to People. And I was just wondering if -- I don't know, quite honestly, which one is the best person to ask this question, so -- you know, just shout -- but, you know, looking at a fairly recent report. Actually, I think it's a very recent report, and I don't know if I'm going to have all of my statistics exactly correct. But what I recently read was that approximately 13 percent of the world's population is at the middle-income level. And most of the world's population is living at the \$20 a day or below level. And a good chunk of it -- perhaps the largest chunk, is living at \$2 to \$10 a day.

These are staggering figures in 2015. And while I recognize the following question could be a symposium in and of itself, I was wondering if, maybe, someone could start to put a little bit of a framework around some of the major and key actions that we can all help put in place to change the orientation of the economics.

SAM WORTHINGTON: This was the point I made for the challenge of the future, which is the one of inclusive growth. Because you get an engine of growth, who benefits from it? You create a middle class. But ultimately, the broader the middle class, and from our perspective, the degree to which the under \$1.25 are moved in that \$2. But even at that point, to what extent do they have some form of future? If you have an inclusive economic models, which means you, by definition, you have to have an active civil society having a voice with government, pushing on government policy, and so forth. You have to have the private sector involved, engaging jobs. But to me, this is the big hurdle we have to face going forward.

In a place like Colombia, up close conflict, [unintelligible] your reaction, I'm more optimistic. In fragile environments, where -- or environments that are more oppressive, in the space for civic actors, the push for more inclusive societies -- the

tendency of those resources to gravitate towards the top are going to be there. So, I think we have -- this is going to be the sort of economic challenge that this agency, and the NGO sectors and others will face, going toward. Which is beyond the agenda of less -- and extreme poverty to let's have a more inclusive type of economic system, ultimately. And these problems don't go away, because we face them here in this country, as well.

SUSAN REICHLE: And can I just add, I think that's why PPD 6 was so important, because it talked about broad-based economic growth. And you know, when we were launching PPD 6, and really, the implementation, it kept coming back to this point of inclusivity. And are we really going to achieve broad-based economic growth? And so, when you look at the president's speech launching the Presidential Policy Directive on September 22nd, 2010, and you think about his speech coming up, obviously, this September -- so, five years later. Think back -- it will very much lay out how much has been achieved, but as Sam just said, how much more we really need to do. And that's so important right now.

PATRICIA RADER: I think I saw a hand here, in the middle? Yeah.

KARRYE BRAXTON: Thank you very much. Again, I wanted to share with colleagues here, our thanks for bringing this whole symposium together. I came early. I didn't realize all these people had come in afterwards. Karrye Braxton, Global Business Solutions, Inc. And I've already spoken, I think, before with Susan Reichle about some of these issues. But I do know that you -- part of USAID Forward talked about how small -- American small businesses would be a natural leverage point for USAID and other donor agencies, to build local solutions, because we're already working on the ground. We're already building -- accountability and sustainability. And most of us have business backgrounds, as well as economic development backgrounds. So, I still see that there's not that in your book. Are American small businesses the natural partner to particularly local businesses in the countries where AID is partnered? So --

SUSAN REICHLER: Yes.

KARRYE BRAXTON: -- want some discussion on that.

SUSAN REICHLER: I'm so glad you've raised that, because after I knew my time was up, and they were flashing. I had to move on, I thought, I wanted to talk about small business. Because when

I think about this Agency, so -- you teed it up for me, and I think I see -- saw Mauricio Vera there, the head of our small business office. You know, five years ago, it -- we're rated every single year on how we do. Five years ago, many of you know, we had an F for our partnering on small business. And thanks to all of you, and really, Mauricio and the team's leadership as part of the local solutions agenda, we were just graded an A plus. Are we there yet? No. But one of the things, when we had our mission directors here this week, we really talked about the next frontier. Because we've been focusing, obviously, very much on the U.S.-based side. And so, we were really pleased, I think to hear that our mission directors, and Peter can echo it from a field perspective, and Janina, that yes, absolutely, this is the way to go.

We're happy to hear that there will be -- we're establishing new targets, at the regional level, that will help, then, our missions drive towards that. And as you know, when we started USAID Forward, one of the somewhat controversial things that we did in the agency, and it really was thanks to Raj's leadership is we established targets. And they were based -- I do want to emphasize this -- they were based on the missions, analyzing where they were, and where they wanted to go by 2015. So, they were not pulled out of the air targets. As a matter of fact,

they really took us about nine months to develop. Lots of controversy, but in the end, our fearless administrator at that time made the decision, set targets, and they were a, you know, they were obviously a little controversial at the time, but it helped us turn the ship. And you know, in small business, what we find with our local partnering community, and that's maybe a good segue way into the next panel, is talking about, you know, local partners learn so much through the experience of U.S.-based small business. There is a lot of similarity there. And so, while we've come a long way, from an F to an A plus, I'm really excited about this next really period, working with our missions, and with the regional bureaus on the next frontier.

PATRICIA RADER: Great. We have time for one more, I think. Here?

CARLA STONE: Thank you. My name's Carla Stone, with International Development and Technical Assistance. Very often, the Diaspora community has been responsible for so many -- so much of the money that's going back to their countries through remittances. And yet, they haven't necessarily been tapped for -- as partners for AID. For instance, the local -- say, the local Ethiopian Coptic church, or a mosque, or something like that. How are you planning to reach out to these organizations



that really have so much expertise that could be used?

SUSAN REICHLER: Again, I'm glad you raised that, because that has been, very much, part of the agenda. I'm sure Peter can speak -- and Sam as well -- to this. But as part of our partnering agenda -- not just under USAID Forward -- I mean, USAID Forward is the agency in whole reform agenda. But a Diaspora strategy that we do in tandem with the State Department, because obviously, there is a tremendous amount of expertise, both on the diplomatic front, as well as the development front, so that we can harness it. Not only for the technical assistance side, as you mentioned, but really build on -- and the Colombia experience -- you know, just to speak from the period I was there -- we knew it was shifting when the Colombians -- as Peter said, they were 96 percent of Plan Colombia. They were the ones who were -- wanted their country back. And so, building that partnership with the Diaspora, as they came back into the country, and ultimately, rebuilt their own country.

PETER NATIELLO: I'll just say, you know, we had this mission directors' conference the last couple days. We got a great brief from the Global Leadership Coalition. And they talked about a tool. I think the U.S. Census has a tool that USAID

missions can use to figure out where in the United States is the Colombian diaspora, right? And I sure took a mental note of that, because as Colombia hopefully moves out of this conflict, hopefully signs a peace agreement, we would absolutely want to take a look at that data. We would want to know where the Colombian diaspora is. You know, we have some idea, but we want a really good, granular understanding of that, and use that tool as a way to try to help get the Colombian diaspora mobilized to support their -- that country in the post conflict.

PATRICIA RADER: Great.

SAM WORTHINGTON: Just throw one thing in this, and not coming from AID. Obviously, remittances dwarf everything that's flowing from here. But I -- we've used the word partnership a lot. And I think that the challenge here is, in my mind, partnership is not creating a whole slew of many AID contractors. Partnership is aligning different interest groups with their own resources and their own impact, and the U.S. government with its own resources and impact, to have a greater collective impact in this mix. Whether or not resources flow between the two or not is, to some extent, secondary to this picture. So, I think if we see AID as solely, "This is the place where resources come to fund." And I'm -- not talking

about a diaspora approach, more funding should go there. We're not seeing the fact that most resources are not going to be flowing through AID. We're talking more about an alignment of resources.

SUSAN REICHLE: Right.

PETER NATIELLO: Yeah.

SAM WORTHINGTON: And so, from AID's perspective, it's like, well, who are my partners? It's not the people I fund. It's who are the key actors on the ground, enabling that other 96 percent to happen? And that's the mind shift, that I think is important, both for AID and for the community that partners with it.

PATRICIA RADER: And I think that's a great place to stop, for this panel. So, thank you very much, panelists. Thank you. And for those of you who didn't get your questions answered, the website is [acvfa@usaid.gov](mailto:acvfa@usaid.gov). So, please send them in. Thank you very much.

ERIN MCKEE: Are we good to go? Great. Good afternoon, everyone. I want to echo all of the welcomes and thank yous

that have been stated already. And I want to thank you for joining us for this discussion. I'm Erin McKee, and I am pleased to be moderating a panel of tremendous expertise and partnership. And we've heard already a lot about the broad USAID Forward agenda, and all that we have been and continue to accomplish together. But it's -- I think it's important, right now, to hone in and talk about an important part of the USAID Forward agenda in more detail, and that is our effort to promote sustainable development through local solutions.

For development to be sustainable -- and I don't think anyone in this room would disagree -- it needs to be locally owned, locally led, and locally resourced. And I think that we have a great collection here of folks that are going to continue that conversation, and spark some ideas, and hopefully leave a lot of time for Q&A in the audience. So, I am joined by Ndidi Nwuneli, who is the founder of Leap Africa; Elizabeth Warfield, who is our local solutions coordinator; and Janina Jaruzelski, who has already been introduced by Susan, who is our mission director in Bangladesh.

So, Ndidi, why don't we start with you? Since you were part of the group that wrote the set of recommendations on best practices in local capacity building a couple of years ago. If

you could, can you give us an overview of the recommendations you made, in case folks aren't familiar? But then, really let us know where you've seen progress, to date, and where we may still be facing challenges.

NDIDI NWUNELI: Well, thank you very much. So, I served on the ACVFA working committee, on the local capacity development framework, which was developed largely in 2012, under Jack's leadership, and submitted to Raj Shah in February 2013. And it consisted of four key points.

The first one was basically the need for AID to improve capacity, both at USAID headquarters, one at the country level, to ensure transparency, accountability, and results, streamlining the application and reporting requirements, without lowering standards, which we've heard from partners time and time again. Focusing on outcomes and not inputs. Mentoring and training mechanisms, better indicators of local capacity building, and building the headquarters' capability to track with the foreign assistance dashboard. The second piece was around tailoring local capacity building to reflect complex local issues, especially in post-conflicts areas. And looking at partnerships with government and the private sector. The third was around strengthening collaborations and coordination,

which I think the last panel spoke extensively about. And then, the fourth was connecting short term goals with long term outcomes.

Now, what has the assessment been, so far? First, we're really delighted to see that there's been progress. I consulted with some of my ACVFA members, and the reviews were mixed. So, I'll start with the positives. From the positive perspective, I think the local systems' framework is really strong, and many of you got it when you came in. I commend the team that pulled that together, and I think it's very clear. And that's really, really positive. Also, I think that USAID's really clearly improved its tracking process on the ground, really trying to figure out who the partners are, landscaping them, and actively engaging private sector. Not just the U.S. private sector on the -- in different continents, but also, the local private sector. I recently, personally, had to do a mapping study for the Gates Foundation, and all the money that came into agriculture. And I can tell you that USAID was the most responsive, and had the most comprehensive data on what it's spending its money on.

ELIZABETH WARFIELD: Yay.

JANINA JARUZELSKI: Yay.

NDIDI NWUNELI: So, I think you have to pat yourselves on the back.

[applause]

Relative all the other donors in -- that we looked at. So, I think that's really critical. I think USAID's leveraging in convening power. As has been said by some and others, the funding base is much smaller than what others give, but with the Nigerian context again, USAID's spearheaded the donor working group on agriculture, and served as the liaisons, and I've seen them do that in many other countries. And I think that's really critical. And we've seen the private sector links with Power Africa, other things, and many of you might not know, but I actually live Nigeria, so these are first hand experiences.

Now, what are some of the negatives? I think a few have come up. The first is that, the question was raised is, have we -- has this initiative simply transferred subcontracting from the large partners to the local partners, using the same frameworks? Have we made it harder for local partners to work with us because we're simply transferring? What about M&E aspects and

how good is the data? And have we focused on activities, rather than outcomes? The larger INGOs in development consulting firms have actively sought out local partners, but many of them have been weaker partners and haven't been as strong as they need to be. So, what are we doing around that? And then, there's still major concern around some of the development challenge funds, which are great. How have we ensured that we actually create a level playing field, between the larger players and their local partners? Ensuring that more local partners lead, as opposed having the U.S. partners be the leads.

And finally, I'll say this bit about the short term versus long term issue, which was raised as a fourth pillar -- remains an issue around how we are feeding and sustainability and scaling, into our initiatives from day one. And that's a huge challenge, because many of the great progress we've seen often time dwindles down after the project or the program is over. And so, that remains an issue. But on the whole, I think we've seen a different evolution, with local partners feeling a lot more engaged and excited about USAID. And I think USAID remains a very good mirror of what America represents. And so, I want to commend you for your work, and the progress you've made so far. Thank you very much.



ERIN MCKEE: Great. Thank you so much, Nnidi, for that great assessment, and for highlighting some of the challenges that we really still need to address. I'd like to turn now to Liz. You joined USAID Washington right about the time that this report was released. As the first ever local solutions coordinator at USAID, can you give us your take on where you have seen the greatest progress over the last couple of years? Especially in light of the recommendations that Nnidi just discussed, and where you think we're still facing the challenges?

ELIZABETH WARFIELD: Great. Thank you very much. I'm going to try and do a rapid -- am I on? Oh, it's there. Okay. I'm going to try to do a rapid fire presentation, about five minutes. The bottom line is I think we've come a long way very quickly. And it sounds like some of you've already done your homework. Is this working? It's working.

Some of you have already done your homework in terms of local systems framework paper. It's available -- framework for sustained development. This really is the foundation for local solutions and what we're doing, so I really would recommend that you read it.

[unintelligible dialogue]

Right. Okay, we got the technology right there. So, and I think that -- what I was really excited about, having the panel before, is you really can't understand local solutions if you don't understand USAID Forward. And people seem to conflate the two, and one's a subset of the others. But just so you understand, you know, what USAID Forward, as Susan talked about is standing up the 21st century program cycle, include project design. A much more whole holistic systemic and strategic thinking about project design, as opposed to what, you know, you talked about, more mechanism or activity design. Rigorous monitoring evaluation. Doubling our foreign service officers, and bringing them up as they -- development professionals, moving them beyond just responsibilities as the systems professionals, but really engaging their brains and technical expertise and getting them out there, locally. And measuring their direct engagement, sourcing and scaling those technologies, and really, incentivizing innovation of products, processes, services, and business models and how we do business. And, as folks have talked about, engaging the private sector and civil society. So, as you all know, local solutions is really about creating the conditions whereby countries can lead their own resources and sustain their own development.

And so, what I wanted to say, the two fundamental shifts that have happened. You know, I've spent -- you have to wonder where I've been, and this is where I've been, for the last 20, 24 months. These are all the GAO reports, and combined with our systems framework here. But you really have to understand the system framework, in the sense that it talks about sustainability and country ownership. And it says, it's the contribution of multiple -- as Sam talked about before -- multiple and interconnected actors. And it's by building the capacity of a single actor, or strengthening a single relationship, is insufficient. So, rather, the focus needs to be on increasing the performance of the system, as a whole. The actors, their interrelationships, and the incentives that guide them. And so, with the health of the systems as a lens, the focus then change -- it shifts from the sustainability of organizations to the sustainability of results.

And then, we believe that you need to put some money through those pipes directly to figure out where the leaks -- leaks are, mitigate them, to show that you have strong, effective systems. And it also says, you need to redefine the results architecture, not just the technical art results, but you need to combine them up, also, with the attributes and measures of a strong, effective system. And you need to re-calibrate the risk

conversation. Yes, there's fiduciary risk. But you've also got to look at reputational, political, and programmatic. You can do a mechanism. You don't lose a dollar, but when that mechanism is over, and it doesn't sustain you, you lost a lot more than just a dollar.

The other thing that I think you need to think about is really the program cycle. And that's what's not in place, when you came forward with the first capacity development measures. And I think that's the shift that you're seeing. And the other really exciting you hear about -- hearing about, collaborating, learning, and adapting -- we're building that in there. And we're also thinking in piloting complexity awareness monitoring. So, you really can look the broader, more holistic system. So, the systems framework, the program cycle pivotal. Really quickly on the results. You saw the results. They're on the website. In doubling -- up to last year, a pause this year -- a \$1 billion reduction in Afghanistan, Pakistan. You take that out, there's a cautious prudent upward, in terms of funds obligated.

But more importantly, in terms of results. Where have we seen results? We've been in Peru 10, 15 years. We're seeing through our G-to-G assistance, and our international, I think, partners,

that we're doubling the alternative crop production. We're seeing significant improvements in education. We're seeing changes in -- reductions in malnutrition, related to our G-to-G assistance and direct engagement of our staff.

Those are some of the results that I'm talking about. Yes, there are challenges. And the very way that I can say this is, we need to set a New Year's resolution: Simplify without diluting standards. Simplify our processes. Our [unintelligible], our non-pre-award survey. Our organizational capacity assessment. And the bottom line lesson learned? Be strategic. Be purposeful. And be cost-effective. But just in terms of money put in, but in terms of management burden.

So, where are we in the way forward? Quickly, because I was sure I went pass my time. There are three parts. The guidance, training, and incentives. We're revising our ADS 200 guidance. And we're embedding in it sustainability and country ownership, as well as the risk conversation that we set. We're changing our training, and we're training up on system mapping, system thinking, risk management, et cetera. And here's the core thing, in terms of changing the incentives. How we recruit, develop, and promote as staff. We're building a sustainability through country ownership in that conversation. We have 130

pages of core competencies. How many times is sustainability mentioned there? Twice. So, obviously, there's some work there to be done. And also, we're building into our promotion precepts sustainability and country ownership. And that's where we're expecting from our leadership. So, what are we working on? Our program guidance, our training --

ERIN MCKEE: Yeah.

ELIZABETH WARFIELD: -- and our incentives.

ERIN MCKEE: Great, Liz --

ELIZABETH WARFIELD: So, just -- I'll finish off there.

[laughter]

I just want to say that I thank, again, and thank you for your patience here. We believe that this way forward really is going to help change the system, and how we do business, and put this on the right side of history. So, thanks.

ERIN MCKEE: Thank you so much, Liz.

ELIZABETH WARFIELD: Thank you.

ERIN MCKEE: And I know that you had a lot more to share, so I appreciate it.

ELIZABETH WARFIELD: Right?

ERIN MCKEE: And I appreciate your service in what is a tough, you know, first ever and groundbreaking position. And it's been fantastic. So, as Patricia said in the last panel, also as a former mission director, we all really know where the work actually happens, and that's in the field. And so, I'm really pleased to ask Janina to give us an idea of what the local solutions agenda that Liz just ripped through has meant in the field. What success and challenges you've seen, and what else you can share with us about a ground-level perspective?

JANINA JARUZELSKI: Okay. Thanks very much. I'm really, really pleased to be here, and to see so many of you here. It's very energizing to see the level of interest and commitment from all of you. We work with your counterparts in the field, on a daily basis, and you're doing great work, and we really appreciate your commitment, and your work and your support. So, I'm glad to be here with you.

Normally, I'm in Bangladesh, where I've been for the past year and a half, and I've been mission director at several other places around the world before that. Previously, in Bolivia and Ukraine, and I was acting director in Russia at one point, as well. So, I've been doing this from many different perspectives, and what I'll say -- which I'm going to say relatively quickly, because we don't have a lot of time -- and I really want to hear from you. I want to hear your questions, or your comments.

It's in the context of my experience in Bangladesh and elsewhere around the world, but also in my experience as chair, because I am the chair of the donor coordination group, for all the multi-national and bi-national donors in Bangladesh, which is quite a large organization and architecture in Bangladesh. There is a lot of donor activity. So, first, just a few general things. Our mission is very, very committed to this local solutions agenda in all of its various manifestations. And we've heard a number of alluded to. It's actually a fairly robust and complex agenda. We're working with local NGOs, and we have a number of direct grants -- some of them small, and some of them large -- as high as \$11 million, to local NGOs in all kinds of different fields, from the Disabled Child Foundation to a wildlife group



dealing with environment biodiversity issues. So, all kinds of different activities in sectors. We also have a lot of partnerships with the private sector, both American multi-nationals, like Walmart; we have a partnership. And also, local/private sector groups, such as Golden Harvest, which is a big food processing company that is entirely Bangladeshi owned corporation, and we're working with them on cold chain.

So, couple quick comments, though. I think I would like us all to become more thoughtful, if possible, and probe a little deeper into some of these concepts that we love and use a lot, like country ownership and capacity building, and sustainability. We also love these concepts. Everybody's for them. They're like Mom and apple pie. Everybody likes them. But what do we really mean by them? I appreciated Sam's comments a little earlier. A country ownership sounds good. What does it mean? Often times, when people talk about it, it's sort of assumed, without often being stated, to mean the host country government. That's not sufficient. Countries are not monoliths. Even civil society is not a monolith. Many civil society organizations are -- they are in conflict with each other, let's be frank. They represent different constituencies, different agendas, different political and religious and other perspectives.

So, there's no group -- perhaps, the government comes the closest in a truly representative democracy, but there's no group that really speaks for absolutely everyone. And so, we have to be cognizant of that. And particularly, when you're talking about democracy projects, you know, you need to be thinking very clearly about what does country ownership mean? For me, I'll tell you what it means for me. It means that local individuals and institutions are actively involved in the project. They have a leading role in the project. It is meeting their needs and their aspirations, and their goals, and their interest. It does not necessarily mean, for me, that the project is the top priority of the government. Now, some people would say that that would -- dispute that. And that is a controversial point. But I think we need to be cognizant of that, and thinking about that in a very serious way.

Capacity building, same thing. Everybody loves capacity building; however, two comments on that. One is that, a lot of times, the issue is not really lack of capacity. A lot of times, the organization or institution or government ministry has some capacity. Maybe even pretty good capacity. The problem is not lack of capacity. It's a lack of political will. It's the lack of the will to do something, often because it may

-- doing what seems to need to be done, from an objective perspective, may threaten some important political or economic interest. That's often the case. So, we have to be realistic about that. And then, more -- even more important, when we are looking to do build capacity, capacity for what? Capacity for what purpose? Any individual or any organization has not just one capacity, but many capacities. And usually, the capacity is not like an on or off switch. It's not you either have capacity or you don't. You're on a continuum of, you know, of -- you may have little capacity, medium capacity, excellent capacity. And almost nobody's at zero, and almost nobody's at 100. And most people are somewhere in the middle, and most organizations are somewhere in the middle. And no organization has equal level capacity on everything. Like, you might have excellent technical capacity to evaluate an environmental issue, but have very poor financial and administrative capacity to do a procurement or financial management.

And sustainability, we have similar kinds of issues. If I can just give like one example of how we are sort of exploring some of these issues in Bangladesh, we have a very interesting project, G2G, Government to Government, which is controversial with some -- with the local government engineering division. And this is a division of the Bangladeshi government.

Bangladesh is a country that scores poorly on transparency international corruption index, okay? So, we have -- this has been very carefully selected. They passed -- theirs is an organization that has worked with the World Bank, and U.N. agencies, and many others. And even so, even having worked often with international donors, they had no standard procedures for tendering. This is an infrastructure group that builds roads. They had no standard procedures for tendering. No environmental mitigation procedures. No standard quality assurance procedures.

So, we have -- we did a G2G with them, but also, with two important capacity building elements. And those capacity building elements were entirely different, and we had different support organizations doing them. One was a technical capacity to -- engineering capacity -- to, you know, do quality assurance on the quality of roads. Another was financial and ethical to deal with things like opening them up to the community. Community engagement. Opening all the meetings to the public, involving the public in their processes, training their teams on ethics. I could talk for a long time. I am happy to receive your questions. Thank you very, very much for being here, and thank you for your interest in this subject.

ERIN MCKEE: Thank you so much, Janina.

[applause]

Thank you, everybody. So, we're going to carve out about 10 minutes for questions. You talked about capacity building, being multi-faceted, you know, collaboration and partnering is multi-faceted. The recommendation that ACVFA had made on local solutions was to strengthen this with our development partners. So, we'd love to hear on any of the content that you heard today, or on how far we've come in that agenda. And we'll hand around the mics. I see one right here. Yes.

NORA O'CONNELL: Hi, I'm -- can you hear me? I'm Nora O'Connell. I'm with Save the Children, and also, the Modernizing Foreign Assistance Network. Thank you for this panel. We're really excited to have this public discussion. And I think the point about what do we mean by country ownership, capacity, these things, I think, are really critical. We've been really excited to hear that there are processes under way to add new indicators for how we measure local solutions. And then, it's going to be sort of expanding to look at all three elements of capacity, ownership, and accountability. It would be great to hear what an update is on the status. We

understand there's a capacity meeting coming in August. Are these similar processes under way for the other two, and how can NGOs contribute to that? Thanks.

ERIN MCKEE: Great. Thank -- great question. Liz, is that something you can take?

ELIZABETH WARFIELD: Sorry, I didn't get to that point. That's okay. So, not everything's 100 percent sustainability. You have emergency and you have humanitarian. But one of the things we started in -- or starting now, is really sitting down with our earmarks and our initiatives. And as relevant, working through how they define, prioritize, and measure sustainability, country ownership, and when I mean it, you have to look at what -- how MFAN defines it, in terms of ownership of priorities, implementation, and resourcing. So, we're defined, measure, and prioritize sustainability, country ownership, and effective systems as relevant, and making sure our decisions for direct financing -- the decisions premised on that framework, and that we measure against that framework.

So, I can't give you a time frame, and thanks for telling folks, we do have a learning agenda. And we have, already on the learning lab, a paper for you to look at, on terms of how we're

measuring capacity development. We have used -- been talking with some of you, and now, we're going to bring it all together, to give us feedback on that. And also, on how relatedly measures of effective systems.

ERIN MCKEE: Great. Thank you. Any other questions? Yes, right here? I'm going to go here first.

PATRICK FINE: I want to challenge you with a -- hi, I'm Patrick Fine, from FHI 360, and I want to challenge you with a question about a policy and a practice that we see creating disincentives to using local -- to hiring local expertise. The policy is that most embassies enforce a ceiling on the salaries that you pay the local employees where they require that you not exceed the embassy's own compensation plan. So, that puts an artificial ceiling in the globalized labor market on what you can pay local expertise. At the same time, USAID endorses, and in many cases, supports or encourages, the -- giving ex-patriot employees the same allowance package that the U.S. government gives its employees.

So, you have a situation where the salaries for local expertise are artificially depressed, and the salaries for ex-patriot employees are artificially increased -- higher than the regular

market rate. And those two things work together to create a big disincentive to using local expertise. Are you doing anything to address those two problems?

ERIN MCKEE: I personally, at this moment, am not. I do --

[laughter]

-- sorry. I do see some colleagues from our management bureau in the audience, and I think your point is an extremely important one. And we will take it under advisement, and see what we can do to unpack it a little bit, and see if there's -- are options to remove the distortion, and the disincentives. So, thank you for bringing that to our attention. Yes, you had your hand up.

LAURA HENDERSON: Yes.

ERIN MCKEE: Wait for the mic, please. Thank you.

LAURA HENDERSON: Laura Henderson with CARE. Very interesting panel. Just yesterday, I had the pleasure of being visited by a Bangladeshi NGO that CARE is subbing to in Bangladesh.



JANINA JARUZELSKI: Do you remember the name?

LAURA HENDERSON: Yes, the DAM Project.

JANINA JARUZELSKI: Yeah, Dhak Ahsania.

LAURA HENDERSON: Yes.

JANINA JARUZELSKI: Yeah, very good.

LAURA HENDERSON: And so, I happened to mention to Dhak that I was coming here today, and got some reflections from him about local solutions. And just a couple of his reflections that I'd be happy to hear from any of you about were one, that with local solutions projects, that it would be helpful to think about also having some small percentage, maybe just two to five percent, of the overall funding for the project to come in dollars. Because when you're trying to get consultants and other international staff to work on the project, which is being led by a local -- I'm sure you've heard this one -- that having at least a small percentage of the budget in U.S. dollars would add greatly to the flexibility.

And another thing that was brought up that I'd love to hear from

you about is that when issues of capacity building are brought up -- and I like the fact that you said it's not just an on/off switch -- but how can USAID be a little bit more both creative and specific about when you identify a local NGO that you're working with that has certain capacity needs -- how are those capacity needs going to be met? Are you going to, perhaps, partner them with various other more capacitated NGOs in those fields, to help work on them, and work them forward, as opposed to saying, you know, these capacity needs, you know, work on them. And we'll either give you a passing grade on them, or we won't. You know, there needs to be more accompaniment. Thank you.

JANINA JARUZELSKI: Yeah. Thank you for those observations. I don't think there's a perfect answer for either of your asks there. One is the dollar -- the dollar thing. Of course, we are very aware of that. There's a lot of very problematic currency controls in Bangladesh, and that interacts with the NGO registration bureau. And so that's kind of a long discussion, which we can have with you, probably not here with this group. But it is -- I'm -- we are aware of that problem. And it's not the first time I've heard about it.

In terms of the other thing, yes. We've looked it from a number

of different perspectives, and it depends a lot on what the issues are. It -- they're -- in some cases, we've hired other consultants to help. In one of the past missions not -- that I worked at, not the current mission I'm in -- we had a whole contract that was purely -- basically, we called it an NGO clinic, which was purely to provide services. So, again, I think that's something we need to look at more. And I agree with you, and thank you for raising that.

ERIN MCKEE: Great. Thank you. I think we have time for one or two more. Here?

KARRYE BRAXTON: Thank you, Karrye Braxton, Global Business Solutions, Inc. And also, we're a member of the Professional Services Council, so I thank them for getting us here, as well, as the Small Business Association of International Companies. Focusing, as often small businesses do, on evaluating the projects overseas, we notice there's a still -- even though with multi-million dollar projects, with changes in structure and such, there's still rarely a time when they give us more than two weeks in the field to do an evaluation. And gosh-a-rudy [spelled phonetically], aren't there any standards or metrics where, let's say, one percent of the project funding should be put toward doing the evaluation, so that we're not evaluating on

a nickel for a \$50 project?

ERIN MCKEE: We agree.

[laughter]

KARRYE BRAXTON: Yeah.

ERIN MCKEE: That was easy. And one of the things that the agency is measuring and focused on is how much we are actually dedicating to monitoring and evaluation, as well as then using the information from that and creating the agility and the adaptability that you heard today is so critical for successes, when we move forward. So, thank you for making that point, and we will continue to persevere and try and do more. One more. How about you, right there?

EMILY BRINCKA: Hi. Emily Brincka, from Wash Advocates. So, you talked about a lack of political will. So, I'm curious, under the local systems framework, as to what USAID is doing to increase the capacity of host country nationals to advocate for projects or interests that may be of great interest to them but that don't have a lot of political will behind them, in the country government.

ERIN MCKEE: Janina, do you want try that one?

JANINA JARUZELSKI: Okay, sure. I'm happy to talk to that a little. It -- this actually focuses in on an area of sort of challenge for us, which is that what you're mentioning is civil society advocacy. And I think that's a very important element of the whole civil society situation. Normally, we fund that with democracy and governance money. We have almost no democracy and governance money now, due to a variety of things that are going on in the appropriations process, both -- you know, at the country level and beyond. So, a lot of that money that we would like to spend on that is -- we frankly don't have it right now. So, that's been a challenge. Nevertheless, we do, from a number of different angles, try to support that, because I think one of the most important things in moving the society forward is enabling independent voices that express themselves, and raise issues.

ERIN MCKEE: Which is a great landing point, as we started out at the earlier panel, in talking about the importance of inclusive development. And inclusion, in terms of consultation, across the board, where we invest our time and are listening, to make sure that we continue to adapt and get it right.

So, thank you, Janina, and thank all of you. I'm sorry we couldn't get to the rest of the questions. If you have follow-on and great ideas for us, which we would really welcome, send them in to the website at [acvfa@usaid.gov](mailto:acvfa@usaid.gov). I'm sure you all know it by heart. And I just wanted to close by thank you all again for coming, for all you are doing in partnership, and I mean partnership with a big P, and a little P, with us. And we look forward to continuing this conversation, and to evolving our partnership and learning from each other, as we move into the next five years, of what we are all excited about. Not only huge challenges, but we hope huge breakthroughs and success. So, thank you all very much.

[applause]

[end of transcript]