OFFICE OF INSPECTOR GENERAL

SURVEY OF USAID'S ARAB SPRING CHALLENGES IN EGYPT, TUNISIA, LIBYA, AND YEMEN

SURVEY REPORT NO. 8-000-15-001-S
APRIL 30, 2015

FRANKFURT, GERMANY

Office of Inspector General

April 30, 2015

MEMORANDUM

TO: USAID/Middle East Bureau, Assistant Administrator, Paige Alexander
USAID/Democracy, Conflict and Humanitarian Assistance Bureau, Acting
Assistant Administrator, Thomas Staal
USAID/Policy, Planning, and Learning, Assistant to the Administrator, Alex Thier
USAID/Management/Office of Acquisition and Assistance, Director, Aman S.
Djahanbani
USAID/Egypt, Mission Director, Sherry Carlin
USAID/Yemen, Mission Director, Herbie Smith
USAID/Middle East Bureau/Office of Strategic Planning and Operations, Director,
Kim Delaney

FROM: Regional Inspector General/Frankfurt, James C. Charlifue /s/

SUBJECT: Survey of USAID's Arab Spring Challenges in Egypt, Tunisia, Libya, and Yemen
(Report No. 8-000-15-001-S)

This memorandum transmits our final report on the subject survey. In finalizing the survey, we
considered your consolidated comments on the draft and have included them in Appendix II.

The survey contains suggestions for consideration but not recommendations, thus your offices
are not required to take any additional action to address the survey's findings.

Thank you for the cooperation and courtesy extended to the survey team during this survey.

CONTENTS

SURVEY RESULTS

The Arab Spring, a series of demonstrations that started at the end of 2010, has had lasting effects on a number of countries in the Middle East. In Egypt, Tunisia, Libya, and Yemen decades-old autocracies ended, bringing about a period of uncertainty and transition (Table 1). These changes have altered the environments in which USAID operates, introducing a wave of new challenges to many of the Agency's activities.

Table 1. Heads of State

Country	Head of Country	Years in Office
Egypt	Hosni Mubarak	30 years
Tunisia	Zine El Abidine Ben Ali	23 years
Libya	Muammar Qadhafi	42 years
Yemen	Ali Abdullah Saleh	33 years*

* North and South Yemen united in 1990. Before then, Saleh had been president of North Yemen since 1978.

To help the Agency become a more effective development organization, the Office of Inspector General (OIG) conducted this survey to identify the challenges USAID faced during the early transition period (December 2010-June 2014) of these four countries. By understanding the challenges and the lessons learned in addressing them, we aim to help the Agency better prepare itself for similar situations in the future.

For this survey, we set out to answer two questions:

- How did the Arab Spring affect USAID's activities in Egypt, Tunisia, Libya, and Yemen?
- What did USAID learn during these transitions?

To answer these questions, OIG identified and interviewed 31 key USAID officials from various parts of the organization who have worked on activities in these countries. We also administered a questionnaire to supplement the information gathered from our interviews. Together, 70 employees from USAID were either interviewed or responded to the questionnaire.

While this survey collected the perspectives of a number of USAID employees, it is not statistically representative of each office or USAID as a whole. Rather, it provides personal views from a cross-section of employees at the forefront of the Agency activities in these countries. Our survey findings include excerpts from respondents' comments only to add perspective and better illustrate the challenges encountered during the Arab Spring; these excerpts do not represent the official Agency position or the consensus of all USAID employees.

Appendix I includes a more detailed description of this survey's methodology and its limitations. The Agency's comments on the draft survey report are in Appendix II, and our evaluation of them begins on page 21.

As USAID continues to promote development in different parts of the world, OIG believes that the survey results can highlight the challenges of working in transitional environments and help catalyze changes that enable the Agency to perform more effectively in the future.

Effects of Arab Spring on Activities in Egypt, Tunisia, Libya, and Yemen

Overall, respondents from each country said the Agency seemed to be constantly behind the curve because of the rapid changes that swept through the Middle East during the Arab Spring. Activities were delayed and plans were rewritten to adapt to new environments. One USAID official working on activities in Tunisia said managing projects was difficult because the country had changed so much that the project portfolio designed at the start of the Arab Spring may have no longer been the best course of action. Several employees in the other countries shared this sentiment, and OIG confirmed it through its analysis.

In 2013 OIG conducted a performance audit of USAID/Egypt's economic growth project[1] and found that the changes of the Arab Spring severely affected the project's progress. Approximately midway through implementation, the project had not made significant progress in seven of the ten tasks in the original plan mainly because of changes in the Egyptian Government's counterparts and priorities. To adapt to the environment, the project adjusted its plan and identified three new areas of work to focus on. In another audit that year,[2] OIG found similar challenges at USAID/Yemen when one of that mission's main projects had to adjust its approach after the Arab Spring started (page 16).

Beyond project delays, we found a host of other challenges common to all four countries that revolve around three broad categories:

1. Security (page 2)
2. Increased influence from the State Department (page 4)
3. Host-country readiness (page 5)

Security. One of the most commonly cited challenges was the difficulty of operating in a volatile environment. Security dictated many aspects of USAID's operations after the Arab Spring started, and it was not uncommon for activities to be delayed or cancelled because of security issues. An implementing partner from USAID/Egypt stated in its annual progress report that after the 2011 revolution, the project was:

> Characterized by a combination of "crisis" interventions on the one hand and a series of "stop and go" initiatives as interim governments, three in all, struggled to implement important development initiatives amid an almost continuous stream of civil unrest.

In addition to delays, deteriorating security situations also limited the staff's ability to travel in-country. As a result, USAID officials could not conduct field visits regularly to monitor activities. Many interviewees spoke about not knowing exactly what was going on with their activities. According to our survey of USAID employees, 78 percent felt that security and travel restrictions made monitoring projects more difficult (Figure 1).

---

[1] *Audit of USAID/Egypt's Trade Facilitation Project* (Report No. 6-263-13-009-P).
[2] *Audit of USAID/Yemen's Community Livelihoods Project* (Report No. 6-279-14-001-P).

Figure 1. Survey Responses to "Security and travel restrictions have made monitoring projects . . ."

Easy
2%

Average
difficulty
20%

Extremely
difficult
27%

Difficult
51%
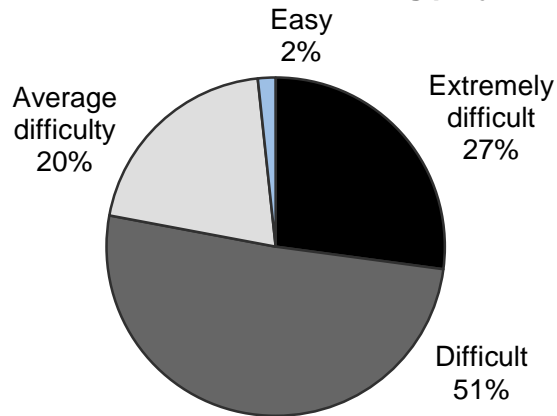
This challenge was tempered in Yemen, where the mission contracted third-party monitors to help oversee its activities. They were able to travel to areas of the country that were inaccessible to USAID employees. This proved to be an effective strategy as the monitors helped USAID/Yemen identify some important issues in one of its flagship projects (page 16).

In addition to access, security also disrupted operations because employees were evacuated from the different countries. U.S. direct-hire employees at USAID/Egypt were evacuated twice in 3 years. In USAID/Yemen, employees were evacuated twice in 3 years for periods of up to 6 months.[3] In our survey, 76 percent of the respondents agreed that evacuations made managing projects more difficult (Figure 2).

Figure 2. Survey Responses to "Evacuations have made the management of my projects . . . "

Easy
2%

Average
difficulty
22%

Extremely
difficult
18%

Difficult
58%

---
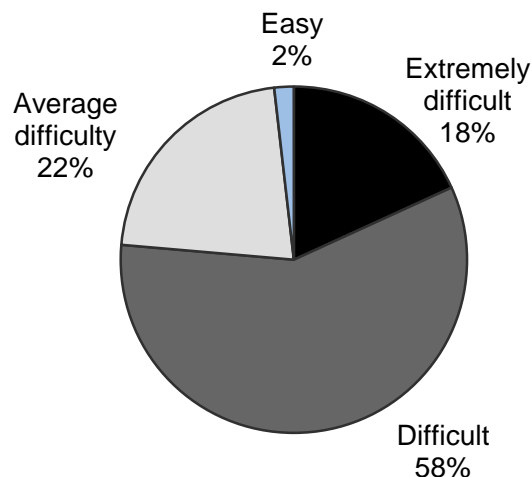
[3] This does not include the relocation of Agency staff in February 2015. This event occurred on a date outside the scope of this survey.

Because of the precarious security situations, strict limits were placed on the number of U.S. direct hires who were allowed to be in each country. Employees said the Agency did not have enough staff to support the number of activities. This problem was particularly pronounced in Tunisia and Libya, where for extended periods, USAID had only one permanent employee in each country (pages 11 and 13).

Increased Influence From State Department. According to our survey results, the majority of respondents (87 percent) believed that since the Arab Spring the State Department has increased its influence over USAID programs (Figure 3). While USAID did not have activities in Libya and Tunisia before the Arab Spring, staff working in these countries afterward discussed situations in which the State Department had significant influence over USAID's work. A respondent from Tunisia wrote, "Everything has been driven by an embassy that does not seem to feel USAID is anything other than an implementer of whatever they want to do."

In circumstances such as the Arab Spring, State's increased involvement is justified. According to the 2010 interagency review[4] of the cooperation between State and USAID, during fragile state situations "the State Department will lead for operations responding to political and security crises." Furthermore, the funding authorization[5] for a number of activities in the Middle East stipulates that USAID implement most of these funds with the overall foreign policy guidance from the Department of State.

Figure 3. Survey Response to "Since the Arab Spring, the State Department has increased its influence over USAID programs . . . "
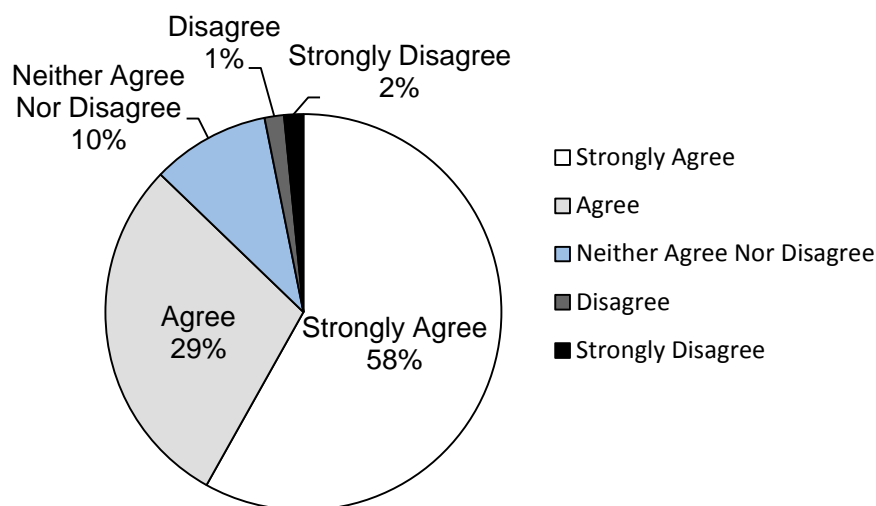
While there is broad interagency guidance on State's role in politically sensitive environments, the specifics of how USAID should adapt its operations were not entirely clear to Agency employees and presented a number of challenges to USAID's operations. In Yemen, the department's influence seemed to be less of an issue (page 17), but for the remaining countries, it was a major concern. As one survey respondent from Egypt wrote:

---

[4] *Quadrennial Diplomacy and Development Review*.
[5] Economic Support Fund; Section 531(b) of Foreign Assistance Act of 1961, as amended, 22 U.S.C. 2346(b).

[State's control] makes long-term planning incredibly difficult and severely constrains USAID's ability to design and execute technically sound development projects. A path forward is agreed, steps taken to design activities and select implementation mechanisms, and then we are abruptly asked to change the approach.

State's involvement introduced a new layer of review and slowed down operations. USAID employees needed to dedicate additional time to build consensus and gain approval from people outside the Agency.

USAID employees also described challenges occurring when State employees, unfamiliar with the Agency and its different types of procurement, made requests that were difficult to accommodate under USAID procedures. One respondent wrote that State "think[s] programs can be stopped and started at will and that we can intervene and direct partners in a manner that goes far beyond the substantial involvement we are allowed as project managers."

Beyond operational challenges, many people we interviewed expressed frustration over the State Department's increased role, particularly when State's direction diverted USAID programming from planned development priorities and goals. This was an especially contentious issue at USAID/Egypt (page 7).

This difference in perspectives caused some to question State's expertise in development assistance, particularly in transitional situations. A USAID official explained that countries in turmoil presented unique challenges and dynamics, and embassies may not have experts in this area. Others said USAID was taking direction from State advisers who were often political appointees without backgrounds in development.

Host-Country Readiness. In each of the four countries, employees reported problems stemming from award recipients' ability to implement assistance programs. According to one employee, local capacity in Libya was a major problem because the country did not have a strong workforce. Moreover, local implementers had not developed the necessary technical capacity because development assistance was not a priority in Libya under Muammar Qadhafi's closed, oil-rich regime. Activities in Tunisia and Yemen encountered similar issues because neither have had long histories of receiving foreign development assistance. In Egypt, employees reported that some of the nongovernmental organizations (NGOs) working on the mission's democracy and governance program also lacked sufficient capacity.

Respondents also reported challenges related to readiness at the governmental level. With constant changes in administrations, some governments were not ready to receive assistance. USAID employees said the Libyan Government did not have a system in place to work with international donors; so when the Agency drafted a memorandum of understanding (MOU) for approval, the Libyan Government was slow to respond. In some cases, documents had to be recirculated repeatedly because after an official signed the document, they would then be removed from their position.

Moreover, respondents reported that some government officials were unwilling to make decisions or did not have clear authority to make approvals. At USAID/Yemen, an employee we interviewed said that at certain points in the revolution, the Yemeni Government was more concerned with self-preservation than catering to foreign development activities. And in the case of Egypt, a survey respondent at that mission wrote, "The USG wanted to move faster than its major government partner wanted to and in directions and with approaches that that partner did

not appreciate." This prompted some USAID officials to suggest that sometimes it is more advantageous to hold off on implementing programs that may be controversial.

While the four USAID offices shared some similar challenges, each also faced challenges that were unique to their own environments. For example, some of the challenges in Egypt and Yemen, where the Agency maintained missions, were different from those in Tunisia and Libya, where USAID's presence was limited to a few permanently stationed employees. To discuss these different experiences, this report dedicates a section to each country.

Egypt

Since the start of the Arab Spring, Egypt has faced a number of challenges and endured countless waves of demonstrations that have divided the nation. In its search for stability, Egypt has undergone two major uprisings, transitioning from Hosni Mubarak's military regime to Muslim Brotherhood's Mohammed Morsi[6] as president, and most recently to Abdel Fattah al-Sisi, the current president who also has the support of the military (Figure 4).

These transitions have had several effects on USAID's operations in Egypt. Before the Arab Spring, USAID/Egypt was a relatively stable mission; for a number of years, it was the regional support office for missions throughout the Middle East. However, after its second evacuation in summer 2013, USAID/Egypt started to reduce its presence by decreasing in-country staff and eliminating certain regional support functions. Employees[7] also reported a number of challenges that affected USAID after the start of the Arab Spring.

Figure 4. Key Arab Spring Events in Egypt Reported by Media and State Department

---
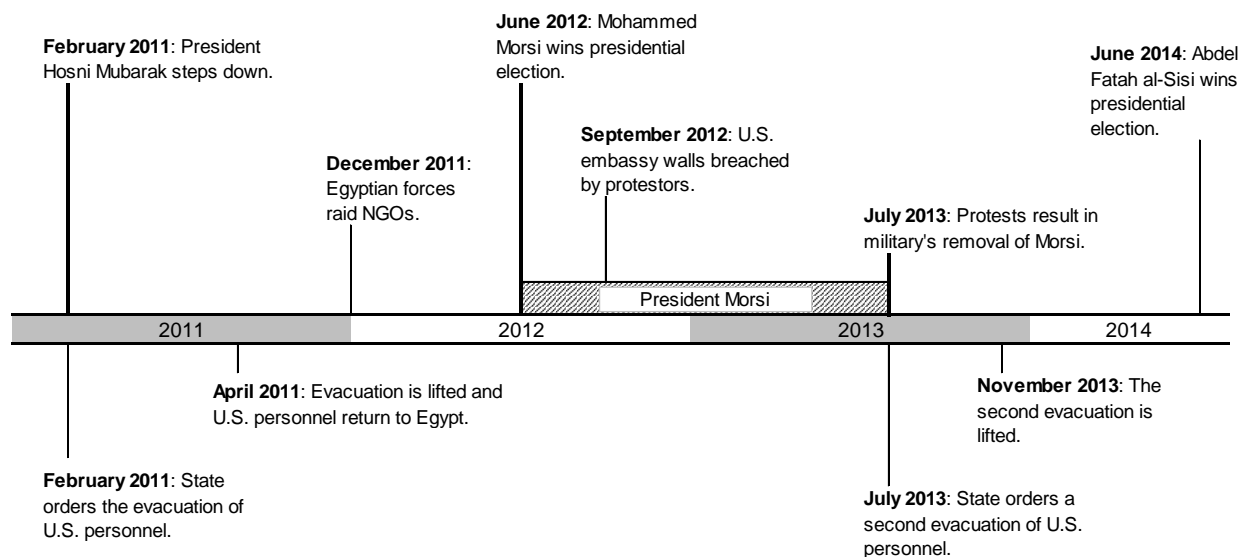
[6] Morsi was a candidate of the Freedom and Justice Party, the political wing of the Muslim Brotherhood.
[7] While this report uses a collection of viewpoints from a number of key USAID officials in its discussion, the Agency in its management comments noted that the commentary may not necessarily be reflective of all relevant information, and does not represent a uniform mission or agency perspective.

Cooperating With Government Counterparts. One of the most commonly cited Arab Spring challenges—and a main cause for project delays—was the difficulty of working with the cadre of ever-changing counterparts from the Egyptian Government. A number of projects implemented required strong cooperation with the host government; therefore, in the midst of the ongoing changes among government counterparts, this bedrock for success was noticeably absent.

According to mission officials, in the 3 years since the Arab Spring began, Egypt has had seven new health ministers, eight new higher education ministers, and four new ministers of international cooperation. Sometimes a decision made by one minister would be reversed by a successor. As one implementing partner stated in its report, activities were delayed because "projects of this nature are typically driven by the will of the government and the rapid change of key stakeholders caused the project to present its case and mandate every time a change in government personnel took place."

In addition to continuity issues, mission staff reported that some ministers were reluctant or refused to make decisions during this period of sustained political turmoil and turnover. One survey respondent wrote:

> My program's largest challenge has been constant changes of counterparts and the indecision that those on seat showed. My team was ready to ink agreements for major programmatic advances, then June 30th [2013] happened. Previous to that, counterparts were unwilling to come to agreement on even the most simple of programs, which meant we spent more time trying to come to agreement before we could even get to the stage of implementing.

Interviewees reported that some Egyptian Government officials brought unique personal concerns and political biases that further disrupted progress. Some said certain officials were uncooperative because they were weary or skeptical of U.S. assistance.

Raids on Nongovernmental Organizations. USAID/Egypt's Transition Support Grants Program was an example of an activity that was received poorly by the Egyptian Government. The program, which began in March 2011, funded a number of NGOs to help Egypt make the transition toward democracy. However, it was met by dissention from the Egyptian Government, which contended that some of the NGOs did not comply with registration requirements and therefore should not receive foreign funding. Despite this notice, USAID continued funding the program.

According to a mission employee, certain Egyptian officials opposed the program because some of its activities posed a threat to the transitional government made up of members of Mubarak's regime, whose powers could have been weakened if Egypt became fully democratic. In December 2011 Egyptian security forces raided the offices of foreign and Egyptian NGOs, some of which were working under the program. This further complicated the Agency's relationship with the Egyptian Government.

State Department Influence. More than 85 percent of the employees surveyed who worked on activities related to USAID/Egypt agreed that the State Department had increased its influence over USAID programs since the start of the Arab Spring (Figure 5). A number of respondents said State steered Agency programs to address political rather than development needs. This dynamic had a profound effect on the mission's ability to follow USAID's guidance on designing and implementing developmentally sound projects.

Figure 5. Survey Responses Related to USAID/Egypt on "Since the Arab Spring, the State Department has increased its influence over USAID programs."
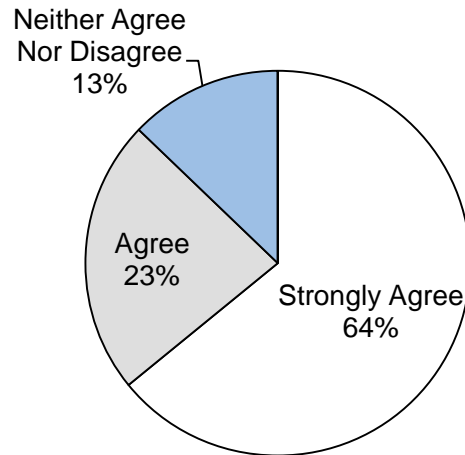
USAID's Automated Directives System (ADS) 201 states that the Agency must complete a project appraisal document before a project can be approved and started. ADS 201 explicitly excludes projects under emergency disaster assistance[8] and emergency food aid[9] from these mandatory procedures, but does not have the same provisions for projects in transition countries. Thus, when State made requests, USAID still followed Agency design procedures and sought ways to provide developmental reasons to justify State's decisions.

Some mission officials questioned the value of adhering to USAID's project design procedures when the State Department had already decided a project's fate. A mission official characterized the design process as a cumbersome paper exercise in which State tells the mission what the project should look like, and then the mission works backward to find developmental reasons to validate it. In this example, State's desire to award education scholarships to women in Egypt was difficult to justify because university enrollment data showed that higher education enrollment and graduation rates for women are slightly higher than for men.

In response to these challenges, a number of Agency employees said USAID's policies and procedures should give missions flexibility in how to respond to the demands of external stakeholders in politically sensitive situations.

Additional External Influence. State was not the sole source of pressure; employees said other federal entities such as the National Security Council and even the White House had increased their scrutiny of USAID since the start of the Arab Spring. As a result, mission officials had to deal with new levels of bureaucracy and were responding constantly to different requests and demands from outside the Agency.

In 2005 USAID issued *Fragile States Strategy*, which outlined an approach to working in "transition environments." According to the guide, the Agency should encourage shorter planning periods and modify reporting requirements to match the conditions on the ground to

---

[8] International Disaster Assistance.
[9] Title II of the Food for Peace Act, as amended (Public Law 480).

respond more effectively in transition environments. However, in practice, the planning process became more drawn out. Ninety percent of survey respondents agreed that constant input on USAID programs from other federal entities slowed down the mission's planning process. Respondents also estimated that 25 weeks of work on average were lost because other federal entities were asking for changes.

With so many differing voices and perspectives, USAID employees said they were not getting clear, consistent guidance. They described the situation as having "too many cooks in the kitchen." One survey respondent wrote:

> State (or White House) has had a very difficult time making decisions on USAID programming for Egypt . . . so USAID has been paralyzed and sent through twists and turns. State/White House difficulties in decisions may be expected given the fluid situation, but there has been excessive indecision, and mixed signals to USAID.

Our survey showed that only 10 percent of the respondents who worked on USAID/Egypt activities believed that the U.S. Government had a clear strategy after the Arab Spring. This perception improved slightly at the Agency level, where 22 percent of these respondents agreed that USAID had a clear strategy (Figure 6). Indeed, with all the changes in Egypt, it was difficult to develop a consistent strategy for Egypt, particularly after President Morsi left office in July 2013.

**Figure 6. Survey Respondents' Perception of Arab Spring Strategy
as it Relates to USAID/Egypt**

The U.S. Government has a clear strategy for its post-Arab Spring activities.
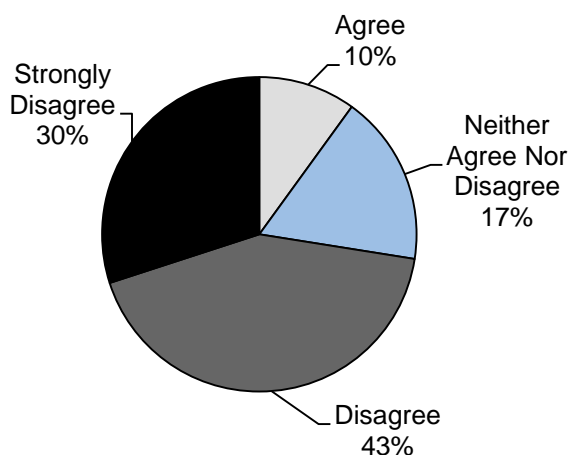
USAID has a clear strategy for its post-Arab Spring activities.
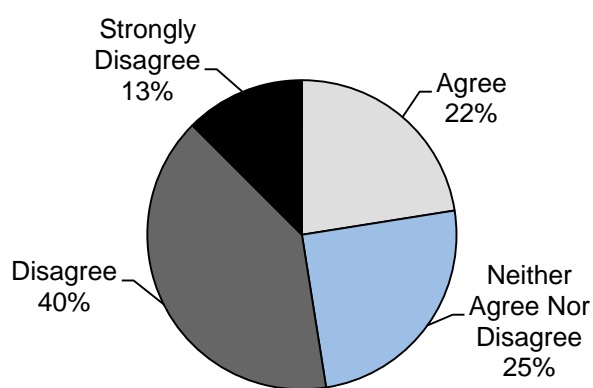
Uncertainties Related to "Declaration of Coup" and Section 7008. The Muslim Brotherhood declared the removal of Mohammed Morsi in July 2013 illegal, calling it a coup d'état. If President Barack Obama's administration had declared the action a coup as well, then Section 7008 (Appendix III) of the 2012 Department of State, Foreign Operations, and Related Programs Appropriations Act, Public Law 112-74 (2011), would have prohibited the United

States from providing certain kinds of foreign assistance to the Egyptian Government.[10] However, the administration did not make such a determination, leaving specifics of the future of U.S. assistance to Egypt unclear.

Interviewees described the summer of 2013 as a period of uncertainty and inactivity. Without clear guidance, USAID employees reported that all they could do was plan for various scenarios in anticipation of clearer direction. According to mission staff, that did not happen until October 2013 when the State Department issued policy guidance relating to the July events. The Acting Assistant Secretary of the State Department's Bureau of Near Eastern Affairs told the U.S. House of Representatives Foreign Affairs Committee:

> The President said we could not continue business as usual with respect to our assistance [to Egypt]. That decision—after careful review, we recently announced a recalibration of this assistance. We will work to provide economic support that directly benefits Egyptian people, including in the areas of health and private sector development but are not moving forward with any further cash transfers to the government.

Thus, from approximately October to December 2013, USAID/Egypt combed through its program portfolio to identify activities that should be wound up according to the new guidance.

Uncertainty in Funding. These uncertainties have also had significant financial effects on USAID/Egypt. According to a mission official, since 2009 the mission had received a steady flow of funding averaging $250 million a year; but after the Arab Spring, funding became less predictable. In fact, USAID/Egypt's FY 2012 program funds were delayed by almost 2 years. Several interviewees said funding was a major issue; and without clarity on future funding, mission employees found it difficult to plan their assistance activities.

Tunisia

Widely regarded as the birthplace of the Arab Spring, Tunisia also was considered by some political analysts as the furthest along in its transition. On January 2014, almost exactly 3 years after the exile of former President Ben Ali, Tunisia took a big step forward with the passage of a new Constitution, which offered new religious freedoms and increased rights for women.

However, reaching this stage was not simple. The country went through turbulent times; two key politicians were assassinated in 2013, and waves of demonstrations broke out (Figure 7).

---

[10] Applying Section 7008 would not preclude all foreign aid funding streams to the government because certain types of aid may be made available "notwithstanding any other provision of law," and the section has a subsection for assistance to promote democratic elections or public participation in democratic processes.

Figure 7. Key Arab Spring Events in Tunisia Reported by Media and State Department

October 2013: Ennahda agrees to hand over power to caretaker government.

December 2010: Widespread demonstrations begin in Tunisia.

October 2011: Ennahda Islamist party wins parliamentary elections.

February 2013: Prime Minister Jebali resigns after the assassination of an opposition leader.

December 2011: Moncef Marzouki elected as president, and Ennahda leader Hamadi Jebali becomes prime minister.

January 2014: Post-Arab Spring Constitution passes.

January 2011: Protests result in President Ben Ali's exile.

| 2011 | 2012 | 2013 | 2014 |

September 2012: State orders the evacuation of U.S. personnel after demonstrations at the embassy.

July 2013: Assassination of another opposition leader leads to mass demonstrations.

Unlike in Egypt, where USAID has had a sustained history of assistance since the 1970s, the Agency has not been in Tunisia for the past two decades. However, after the Arab Spring uprisings, USAID started to implement programs in the country again. According to Foreign Assistance.gov, since fiscal year 2012, USAID has obligated $227 million and disbursed more than $165 million for activities in Tunisia (Figure 8).

**Figure 8. USAID Assistance to Tunisia Since 2011
(Data Unaudited, Current as of August 2014)**
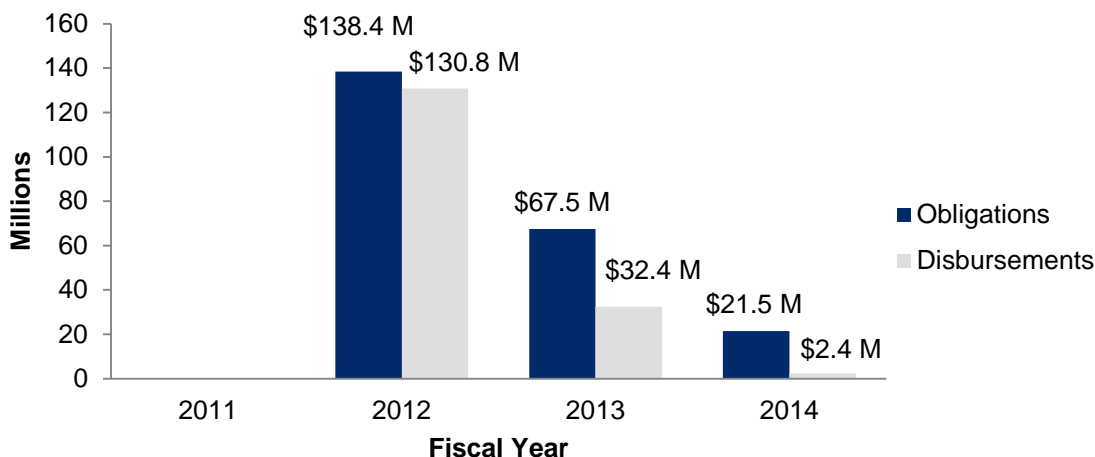
Despite this increased activity, the Agency does not maintain a mission in Tunisia; instead, it has an office, which when this report was written, had only one permanent employee from USAID's Office of Transition Initiatives (OTI). The lack of existing operations in-country

combined with having a limited staff presence have created a host of challenges for USAID in Tunisia.

Activities Managed From Washington, D.C. The security situation in Tunisia was such that the State Department placed strict restrictions on the number of USAID employees allowed to be in-country. As a result, most Agency activities were managed from Washington, D.C.

By not being in Tunisia, employees said they lacked sufficient information to manage their activities properly. On occasion, staff from Washington could go to the country, but some did not have that opportunity. As one survey respondent wrote, "I have been working on Tunisia for nearly 3 years now, and have designed programs to be carried out there, but I've never been. I don't feel like I have been able to do my job to the best of my ability without that understanding of the situation on the ground."

State Department Influence and Need for In-Country Analyses. According to ADS 200, to design and implement developmentally sound projects, the Agency usually conducts "analyses as required to identify key opportunities and constraints in the priority areas in which they work; plan and design development objectives to achieve tangible development results and impact." Further, USAID's *Fragile States Strategy* stresses the importance of performing "timely, strategic, and integrated analysis."

While USAID did conduct desk analyses in Washington, D.C. that contributed to a strategy outline, the security situation in Tunisia prevented USAID from completing thorough, on-the-ground analyses typically prepared as part of Agency programming. Without those analyses to bolster program decisions, interviewees noted that some Agency activities were being driven by the State Department. As one respondent wrote:

> USAID would typically do assessments, then develop a strategy, then design programs based on that; instead, much of our programming [in Tunisia] has been directed by Embassies and not based on technical analysis of what is needed.

Respondents stressed the importance of doing analysis in the country because it not only serves as a technical basis for activities, but also gives the Agency data to stand on when the State Department asserts its influence. As one employee pointed out, by defining its priorities first, USAID would be able to articulate a cohesive vision for assistance clearly to the embassy.

Project Start-Up. According to some employees, getting projects started was also an issue in Tunisia. After USAID left in 1994, foundational elements such as bilateral strategic objective assistance agreements were no longer in place to ensure swift start-ups. Furthermore, without an existing presence and USAID in-country staff, employees found it difficult to network and develop relationships.

Libya

Three years after the start of the Arab Spring, Libya was still very unstable. Assassinations, abductions, and other crimes contributed to the lawlessness that prevailed while new leaders struggled to control various militias (Figure 9). As one of USAID's projects reported in fall of 2013:

Security continued to deteriorate with some of the worst violence seen in Tripoli since the revolution. Violence in Benghazi was on-going with targeted assassinations of security chiefs. On October 10 [2013], Prime Minister Zeidan was abducted at gunpoint at the Corinthia Hotel . . . militia fired at demonstrators, killing dozens and injuring hundreds. Fighting intensified as more militia members from Misrata arrived in the city despite government measures to stop anyone from entering the city. As a result, the Ministry of Interior declared a state of emergency.

Figure 9. Key Arab Spring Events in Libya Reported by Media and State Department

February 2011: Uprisings begin.

July 2011: Consortium of international leaders recognizes the National Transitional Council as the government of Libya.

July 2012: General National Congress elected as new government.

May 2013: Militias' siege on government offices results in defense minister's resignation.

October 2013: Prime Minister Ali Zeidan is abducted.

2011   2012   2013   2014

October 2011: Muammar Qadhafi is captured and killed.

September 2012: Fatal attacks on the U.S. consulate in Benghazi result in the evacuation of U.S. personnel.

August 2013: Rebels begin blockade on oil terminals.

As in Tunisia, USAID did not have a presence in Libya before the Arab Spring; thus, many of the challenges both countries faced were similar but with one marked difference—the security situation in Libya created more challenges, particularly after the 2012 attacks in Benghazi.

Effects of Benghazi. The attacks in Benghazi on September 11, 2012, had a profound impact on USAID operations in Libya. According to one interviewee, after the attacks USAID did not want to attract too much political attention and put a number of Agency activities in Libya on hold. The period of inactivity lasted from September 2012 to September 2013. It was not until October 2013, after Prime Minister Ali Zeidan was abducted, that the U.S. Government refocused attention on Libya and funding for activities picked up again.

Limited Presence After Benghazi. Before the attacks, USAID had five employees in the country; afterward, only one was allowed to remain. Although his main priority then was to manage USAID/OTI projects in Libya, he also was asked to oversee four to five additional activities managed out of Washington—a stretch for any employee. As one survey respondent wrote, "The lack of people in the field in Libya (small footprint) means that DC overwhelms the field. People in the field are worked ragged."

Staff members in Washington, D.C., said they too did not have enough employees to manage the projects for Libya. Without a mission there, they were bearing administrative responsibilities typically managed by employees in the field—while also working on activities in other countries.

Like in Tunisia, strict travel restrictions also limited the staff's ability to conduct on-the-ground analysis in Libya. Officers in Washington expressed their concerns about not knowing exactly what was going on in the field and not having the information necessary to design activities properly. Without being in-country, employees also found it difficult to build relationships with Libyan Government officials.

Inconsistent Funding. Another major challenge stemmed from working in a place where funding for activities was unpredictable. Employees said it was difficult to plan activities; some days there would be no money for programming, and then other days there would be the promise of lots of money, all depending on the which way the political winds were blowing. Data from ForeignAssistance.gov supports this statement, shown in Figure 10.

**Figure 10. USAID Assistance to Libya Since 2011
(Data Unaudited, Current as of August 2014)**
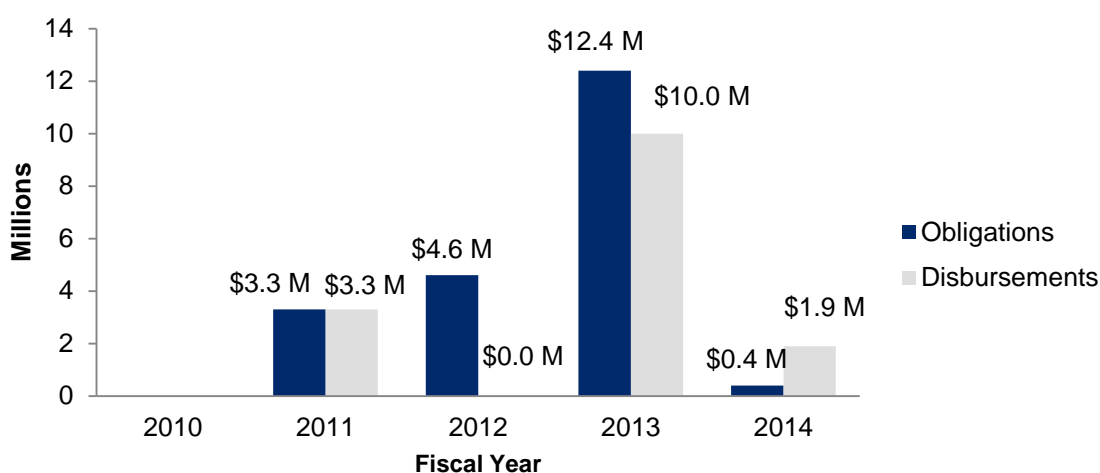
According to USAID staff, obtaining funding was an uphill battle from the start as Congress questioned why Libya, an oil-rich nation, needed foreign assistance. Moreover, without a historical presence in Libya, development objective agreements had not been established to facilitate the funding of activities there. As a result, USAID had to use money from different sources to support its programs, including the USAID's Middle East Response Fund, health and education programs, and even money from the State Department.
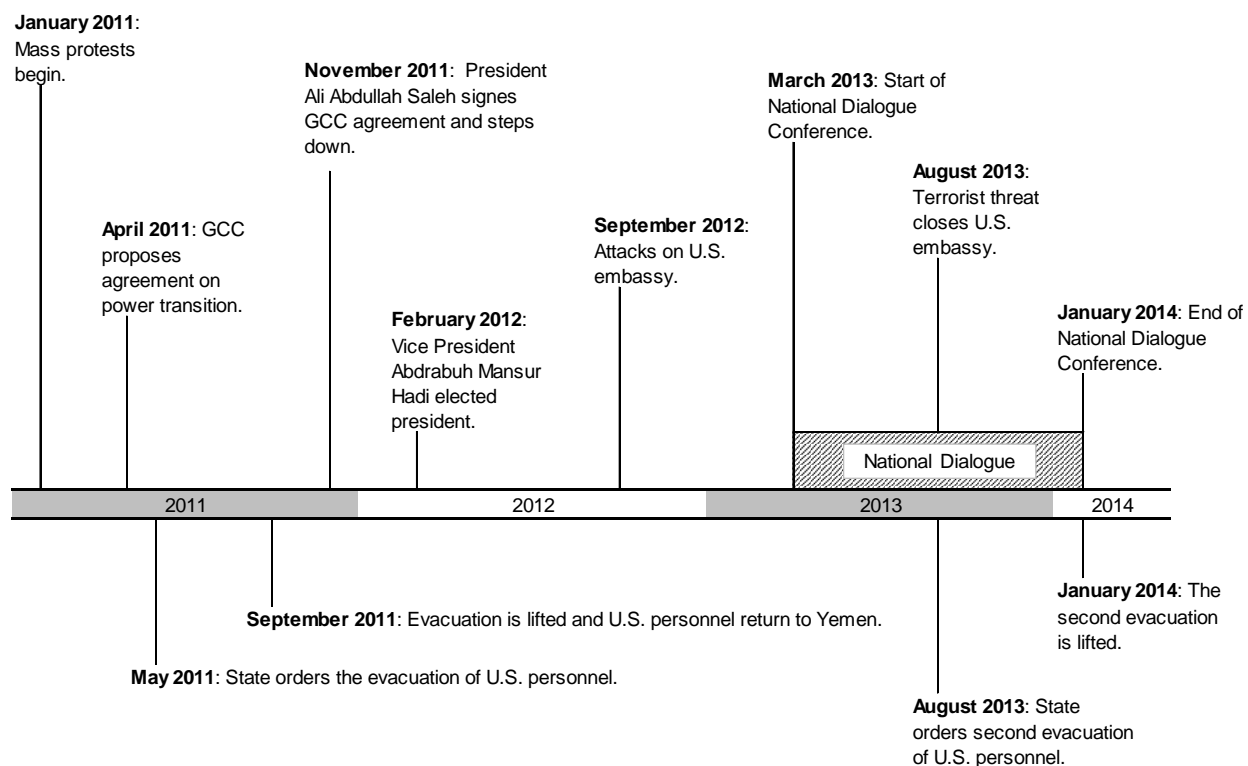
Without a dedicated funding source, some USAID employees said they were constrained because activities were limited to the types of funds available and subject to the restrictions associated with the specific fund. One respondent wrote, "Piecing together funding from various sources has made strategic planning somewhat more difficult. It is common for transition environments to use contingency funding for the first year or two, but it is important to regularize the budget."

However, these challenges changed when the U.S. Government renewed its interested in Libya. When we conducted interviews in early 2014, interviewees were worried about the abundance of funding being promised. One said funding had increased from $9 million to $30 million and wondered how USAID was going to be able to support the increase with so few employees.

Yemen

Yemen's path toward transition took a monumental step forward in November 2011 when President Ali Abdullah Saleh signed an agreement brokered by the Gulf Cooperation Council (GCC),[11] officially transferring power to his vice president, Abdrabuh Mansur Hadi (Figure 11). The agreement also called for a National Dialogue Conference, in which 565 delegates met to discuss the nation's challenges. It lasted from March 2013 until January 2014 and resulted in approximately 1,400 recommendations.

Figure 11. Key Arab Spring Events in Yemen Reported by Media and State Department

January 2011: Mass protests begin.

November 2011: President Ali Abdullah Saleh signes GCC agreement and steps down.

March 2013: Start of National Dialogue Conference.

August 2013: Terrorist threat closes U.S. embassy.

April 2011: GCC proposes agreement on power transition.

September 2012: Attacks on U.S. embassy.

January 2014: End of National Dialogue Conference.

February 2012: Vice President Abdrabuh Mansur Hadi elected president.

National Dialogue

2011   2012   2013   2014

January 2014: The second evacuation is lifted.

September 2011: Evacuation is lifted and U.S. personnel return to Yemen.

May 2011: State orders the evacuation of U.S. personnel.

August 2013: State orders second evacuation of U.S. personnel.

Despite these encouraging steps, there were periodic violent outbursts, and the terrorist group al-Qaeda in the Arabian Peninsula was able to seize control of portions of southern Yemen. Constant security threats prompted USAID to evacuate U.S. personnel in 2011 and again in 2013.[12]

The survey results showed that during the early transitional period of December 2010 to June 2014, USAID/Yemen was in many ways well positioned to navigate the country's transition from Saleh's rule.

---

[11] The Cooperation Council for the Arab States of the Gulf, or Gulf Cooperation Council, was established in 1981 by Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

[12] In late September 2014 the Houthi rebel group took control of the capital, where they continue to tighten their grip on the national government. In February 2015 State suspended operations and relocated U.S. staff out of the country. This event occurred after our fieldwork concluded.

Adjusting Activities to Suit New Environments. Overall, the Arab Spring disrupted but did not derail USAID's operations in Yemen. OIG believes that this is partly because USAID's objectives in Yemen did not change significantly after the uprisings and into early 2014. According to its 2010-2012 country strategy, the mission's main development objective was to increase Yemen's stability through targeted interventions in vulnerable areas—a goal which was equally relevant after the revolution.

In 2010 the mission implemented two flagship activities—the Community Livelihoods Project and the Responsive Governance Project—to help stabilize the county. The first project was designed to increase stability by improving the livelihoods of communities across the country. As the Arab Spring gained momentum, access to remote areas became increasingly difficult, and the project's original plan of supporting multiple small-scale community activities across Yemen became less feasible. As a result, approximately 1 year after the start of the uprisings, the mission switched to focusing assistance on certain sectors and in key areas of the country. These changes helped jumpstart the project after nearly a 20-month lull.

The Responsive Governance Project was designed originally to strengthen government institutions at the national and local levels and to encourage more citizen participation in the political process. After the revolution, USAID/Yemen adjusted the project to support the National Dialogue Conference and help the government respond to the public's needs.

However, while the mission was able to pivot with the changing times, the adjustment process was not a simple matter and required swift cooperation from USAID's contracting office. In a 2013 audit of the Community Livelihoods Project, OIG found that conditions in Yemen changed quickly, yet the mission was slow to modify the project agreement in response. We also found that the funding restrictions on the project's activities made it difficult for the project to modify its operations to the new priorities.

The Responsive Governance Project encountered similar challenges in adapting its activities. According to its midterm evaluation, "[The project's] efforts to respond to the Mission Director's requests for changes were reportedly hampered by the project's design, which was described by both Mission and [project] Managers as being too complex and its budget categories too restrictive to enable the project to operate in a truly flexible and responsive manner."

Third-Party Monitors. In 2010 the mission implemented the Yemen Monitoring and Evaluation Project (YMEP) to provide continued, on-the-ground performance monitoring, verification, and evaluation of USAID activities. YMEP was able to identify problems in the quality of some of the Community Livelihood Project's rehabilitation activities and of goods delivered. Moreover, as security continued to deteriorate, YMEP was able to gain access to areas of the country that U.S. employees could not and alert the mission of problems with project activities. This was important, given USAID's limited access; one mission official said that during his 2 years in Yemen, he was able to leave the capital for site visits only twice.

While employing a third-party monitor did help mitigate monitoring challenges, in OIG's audit of the Community Livelihoods Project, we found that YMEP was not thoroughly integrated into the mission's operations. YMEP's role, function, and authority as the mission's third-party monitor were not defined clearly from the beginning. OIG issued two recommendations to integrate the third-party monitors into the mission's monitoring practices.

Clear Strategy. USAID/Yemen did not suffer from the challenges of unclear strategy that other USAID missions did in the region; 70 percent of respondents who worked on activities in Yemen believed that the Agency had a clear strategy for its post-Arab Spring activities (Figure 12). This is a stark contrast to responses related to USAID/Egypt, where only 22 percent believed that USAID had a clear strategy.

Figure 12. Survey Responses Related to USAID/Yemen on "USAID has a clear strategy for its post-Arab Spring activities."
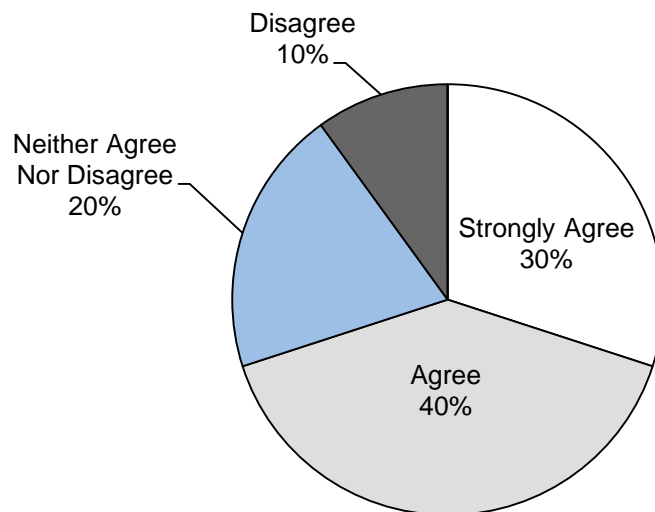
The employees offered a number of reasons for this difference in perception. First, Yemen's transition was ushered in by a strong GCC-brokered framework that brought elements of stability to an otherwise volatile environment. Respondents believed that the mission benefited from this transition plan because it was able to use it as a road map for some activities.

Second, our survey also found a strong working relationship between USAID/Yemen and the State Department; the two often agreed on what needed to be done. According to a 2013 Government Accountability Office (GAO) report,[13] USAID was a key contributor to the overall U.S. objective in Yemen, supporting four out of five strategic goals. Some respondents said the collaborative atmosphere was due to individual personalities and strong working relationships between USAID and State officials. One employee said because employees of both organizations lived and worked together in the close quarters, communication flowed freely as perspectives could be exchanged easily.

Ultimately, USAID and the State Department saw eye-to-eye on many of the issues in Yemen because they both wanted to help stabilize the country and help it through the transition. As one senior USAID/Yemen official said, some of what needed to be done was so obvious that it was difficult for the two agencies not to agree.

---

[13] *U.S. Assistance to Yemen: Actions Needed to Improve Oversight of Emergency Food Aid and Assess Security Assistance* (Report No. GAO-13-310).

Lessons Learned and Suggestions for Future Consideration

To answer the second objective of "what did USAID learn during these transitions?" OIG asked interviewees and questionnaire respondents for any suggestions that they believed would help improve USAID's ability to navigate transition environments in the future. OIG also has included some of its own ideas for improvement, based on our analysis of the different challenges and sentiments discussed in the survey. We have grouped the suggestions according to the different levels of the Agency that would be the most suitable to implement them.

Agency

1. Update ADS 201.3.15.1, "Applicability of Project Design Guidance," and related sections to include additional guidance on how USAID should adapt its project design process in politically sensitive transition environments. This chapter outlines a process to help the Agency maximize its development impact; however, in politically sensitive environments when program decisions are made by other federal entities, ADS is not clear on how to modify the process to fit the circumstances. A number of employees found it difficult to follow current Agency guidelines and questioned the practicality or purpose of adhering to the systematic design process.

2. Improve guidance on how to increase the flexibility of implementing mechanisms. USAID's *Fragile States Strategy*, issued in 2005, stressed the need to reform the procurement function to add flexibility and increase authorities to expedite implementation. Despite this, a number of people interviewed still cited the need for more flexibility in their implementing mechanisms because the scope of work for the contracts or agreements often restricted their ability to adjust activities to suit the changing environment. While interviewees agreed that flexibility was important, there was no consensus on how to achieve it.

   According to a senior mission official, USAID's Office of Acquisition and Assistance has not provided explicit guidance on how best to make implementing mechanisms flexible. Instead, he explained, the flexibility of an implementing mechanism depends heavily on the experience of the contracting officer, the technical office, and how the two cooperate in drafting the scope of work.

3. Create a support office in the region. A number of people who worked on projects in Tunisia and Libya spoke about the challenges of managing projects from Washington, D.C., where staff split their time managing projects in different countries. Having a dedicated regional support office would allow USAID to be closer to the activities and make short trips into countries more practical. Last, creating a support office in the region would mitigate the operational challenges and delays associated with working across several time zones.

Mission/Country Office

4. Develop a USAID transition plan at the country level, even if it may change. Numerous people discussed the importance of having a country plan during this period of uncertainty. Doing so would allow USAID to be more proactive in its programming, rather than reacting to the demands of others. Moreover, by having a short-term transition plan, the Agency

would have a better platform to articulate its strategy, particularly when it disagrees with the decisions of other federal entities.

5. Resist the urge to implement large development projects that require the support of host governments immediately after a transition. With the excitement of the Arab Spring, it was natural for USAID to capitalize on the events with activities to facilitate change. However, in hindsight, some employees believed it might have been more prudent to wait rather than implement some of the Agency's more ambitious development programs immediately after a revolution. When governments are in disarray and focused on self-preservation, their readiness and desire to implement development projects may be limited or less of a priority.

6. Prepare mission-level plans with Foreign Service Nationals (FSNs)—locally hired USAID employees who are not U.S. citizens—in case U.S. direct hires are evacuated. Evacuation of U.S. staff can be abrupt with only a few hours' notice. People we interviewed recommended that U.S. staff develop plans with the mission's FSN staff ahead of time, outlining roles, responsibilities, and modes of operation to prevent a standstill in operations in the event of an evacuation.

7. Employ third-party monitors. Using them in transitional situations can help an office gain access to regions of a country that become inaccessible to U.S. direct hires or when U.S. personnel are ordered to evacuate.

Activity

8. Minimize dependence on government counterparts. Employees recommended that USAID implement activities that depend less on the host-government counterparts in times of transition. While this is a deviation from USAID's practice of obtaining host-country support, this strategy may facilitate USAID activities in transitional situations.

9. Simplify activities and goals. A number of people spoke about the difficulties of getting government counterparts to agree on large-scale transformative projects after the Arab Spring. As a result, these programs often are the most difficult to move forward and face the most significant delays. Senior development officials from USAID believed that in times of transition, it would be best to design and implement simple, more manageable activities that can demonstrate immediate impacts. This suggestion is similar to a guideline offered in USAID's *Fragile States Strategy*, in which the Agency discusses the need to seek short-term impacts linked to longer-term structural reforms.

10. Find ways to strengthen local implementer capacity. In transition environments, local implementers may not have the capacity to carry out some of USAID's activities. Designing activities specifically to improve the capacity of local implementers or including capacity development as an activity objective may mitigate this issue.

11. Assess activities more frequently. Increasing the number of reviews in transition environments may improve overall project progress and impact. However, that should be done only if there are enough employees to do it. In the 2013 audit of the USAID/Egypt Trade Facilitation Project, OIG recommended that the mission analyze the need of increasing the frequency of project plan review from once to twice a year. Yet after conducting an analysis of the recommendation, the mission determined that such an action "would likely absorb an inordinate level of project resources."

Miscellaneous

12. Have alternate solutions to address limited presence. We received several suggestions on how the Agency could work more effectively when in-country presence was limited.

    - Use of Agency-approved technologies. Staff from USAID/Egypt cited the benefits of using video conferencing to maintain cohesion during the evacuation when staff was split between Cairo and Washington, D.C. Additionally, make sure that telework systems and agreements are in place to minimize disruptions when security prevents access to the workplace.

    - Employ implementing partners from the region. When local implementers do not have the expertise or ability to execute some of USAID's activities, an Agency employee suggested hiring a qualified implementer from a country within the region. According to the employee, USAID applied this strategy in Libya by using a Lebanese implementer that was less expensive than U.S. firms and also had a language advantage.

    - Hold meetings in a neighboring country. According to people working on activities in Tunisia, USAID had a meeting with implementing partners in Morocco as a creative way to circumvent staffing restrictions.

13. Be mentally prepared for delays because this may help employees in the field and Washington have more realistic expectations. *Fragile States Strategy* also discusses the need to recalibrate expectations as they are "often set too high for what can be accomplished in fragile states, and are geared more toward traditional development situations."

14. Be aware of FSN staff morale. In times of transition, employees from the country in crisis may be affected by the instabilities surrounding their nation. People we interviewed urged USAID staff in the future not to overlook this human aspect of working in transition environments.

15. Get things in writing. When working in environments where USAID is getting input and instructions from organizations that are not familiar with Agency procedures, decisions made outside of USAID may be documented poorly. In such circumstances, it is important to remember to get things in writing.

EVALUATION OF MANAGEMENT COMMENTS

USAID provided a response to our draft survey report, and these comments have been included in their entirety as Appendix II. Additionally, the Agency suggested some corrections and we incorporated the necessary changes into the report.

In its overall comments on the draft report, the Agency discussed areas of the survey methodology that it believed would benefit from a more detailed discussion. In response, OIG expanded the scope and methodology section (Appendix I) to include additional details on composition of the respondents. Also, the Agency believed that it would be useful if the report more prominently acknowledged and discussed the survey methodology's limitations. In response, we incorporated that discussion from the methodology section of the report to the beginning.

Concerning the lessons learned and suggestions section of the report, USAID included information on actions that have been under way to address suggestions 1, 2, 3, 4, 10, and 12. Since this list of suggestions is an answer to the second survey objective and the suggestions are not formal recommendations, management decisions and final actions are not required.

Suggestion 1. In response to the suggestion to update guidance on how USAID should adapt its project design process in transitional environments, the Agency is planning to revise ADS Series 200 by the first quarter of FY 2016. This update will give staff more discretion to adapt the guidance to individual country circumstances, including situations of political uncertainty.

Suggestion 2. In response to the suggestion to improve guidance on how to increase the flexibility of implementing mechanisms, the Agency has issued a procurement executive bulletin that provides guidance on how to allow for "learning, flexibility, and adaptability in contracts."

Suggestion 3. In response to the suggestion to create an Agency support office in the Middle East region, USAID has created a new office in Frankfurt, Germany. It will provide regional management support and program/technical services. Additionally, the Agency has expanded the number of employees based in the field who support programming in Libya and Tunisia.

Suggestion 4. In response to the suggestion to develop transitional plans at the country level, the Agency considered this suggestion as part of Suggestion 1 and will address it in the review of the ADS. Also, the Middle East Bureau has taken steps with its operating units to document strategic planning frameworks that have been developed in various transition environments.

Suggestion 10. In response to the suggestion to find ways to strengthen local implementer capacity, the Agency said it would rely on its methodology for assessing recipients' institutional capacities before making awards. The Agency may also include internal capacity development as an explicit part of an award.

Suggestion 12. In response to the suggestion to implement alternate solutions to work more effectively in places where USAID's presence is limited, the Agency is in the process of developing recommendations for managing programming in places where it either has limited or

no presence or in unsafe environments. The Agency will consider the ideas provided in this suggestion as well as other best practices and lessons learned in implementing and monitoring projects.

Specific reasons for comments that remain unaddressed are discussed below:

Agency Comment 1. The Agency stated that the report did not provide a full picture of interagency relationships or USAID's role within the broader foreign policy process.

Response: The purpose of this report was not to discuss the challenges associated with interagency guidance; this is beyond the scope of the survey and outside the USAID/OIG's authority. Our objective was to discuss how the Arab Spring affected USAID's operations in the four countries.

Agency Comment 2. The Agency noted variables that may have influenced respondents' answers to the questionnaire, such as the potential effects of not having the full picture of interagency relationships, different responses from staff who worked during different periods of the Arab Spring, and differences in the interpretation of the survey questions.

Response: The variables listed by the Agency in its comments represent inherent drawbacks of using a questionnaire, a structured line of questions with limited opportunities to expand upon and clarify when needed. This is why the report did not rely solely on the questionnaire results. OIG interviewed 31 key USAID officials, and later administered the questionnaire to supplement and strengthen the data gathered in the interviews.

Agency Comment 3. It is not clear what percentage the 70 employees represented of those who were involved in activities in the four countries during the time covered and how many were based in the field or Washington.

Response: The criteria used to select the interviewees and questionnaire respondents was whether they had extensive knowledge and experience in working on activities in the four countries during the time covered. Therefore, all of the 70 employees in this survey were involved in activities in at least one of the four countries during the time covered.

As to whether employees were based in the field or Washington, this is difficult to delineate because of long-term temporary duty assignments, evacuations, and other personnel statuses that blurred the two categories. If we only used people who were permanently assigned, we estimate that 51 employees questioned in this survey were in the field and the remaining 19 were in Washington.

SCOPE AND METHODOLOGY

Scope

OIG conducted this survey in accordance with Chapter 3 of *Government Auditing Standards* relating to professional independence and judgment, competence, and quality control. We also followed Chapter 6, Section 6.79 to 6.82, which relates to documentation standards.

For this survey, we focused on analyzing how the Arab Spring affected USAID's operations in four countries—Egypt, Tunisia, Libya, and Yemen—because of the magnitude of change each one encountered during that time. In all four cases, protests toppled regimes that had been in place for at least 20 years, bringing about a period of significant transition.

This report follows USAID from the start of the Arab Spring, defined in this report as December 2010, through the end of our formal fieldwork in June 2014. To gain an understanding of the effects of the Arab Spring, OIG interviewed and surveyed USAID employees who worked on activities in the selected countries during this period.

In addition to interviews, OIG conducted field visits in Egypt and drew upon information gained during fieldwork in Yemen for its audit on USAID's Community Livelihoods Project in May 2013. However, due to security restrictions, we could not travel to Tunisia or Libya to observe operations there.

OIG also analyzed reports from GAO and other organizations. For foreign assistance that USAID provided to the countries, we relied on data from Foreignassistance.gov. These data were not audited.

Methodology

To answer the survey objective, OIG interviewed 31 USAID employees who worked on activities in the four selected countries during the Arab Spring. The interviews were conducted between October 2013 and April 2014. To supplement these interviews, we also sent an electronic survey with 17 questions (Appendix IV) to 88 Agency employees.

Instructions with the questionnaire informed employees that its purpose was to catalog the challenges the Agency experienced during the Arab Spring, and that their responses would remain anonymous. Sixty-six responded to the questionnaire, corresponding to a 75 percent response rate. The questionnaire was sent to staff on March 25, 2014, and closed on April 11, 2014. Table 2 breaks down the questionnaire response rates from each country.[14]

---

[14] Egypt has a disproportionate number of respondents because this mission was significantly larger than the other offices that sometimes housed only one permanent U.S. employee in country.

Table 2. Questionnaire Response Rates by Country

	Egypt	Libya	Tunisia	Yemen	Total
Number of questionnaire respondents	42	8	6	10	66
Number of USAID staff invited to questionnaire	55	13	7	13	88
Response rate of questionnaire	76%	62%	86%	77%	75%

Between interviews and the questionnaire, we received responses from 70 out of 88 USAID employees, which corresponds to an 80 percent coverage. Despite this strong response rate, the survey is limited in that it is not statistically representative of the universe of staff in each office. In that sense, the survey does not represent a uniform mission or Agency point of view; nor is it the corporate position of USAID. Instead, this report offers perspectives from a cross-section of key employees at the forefront of program activities (Figure 13).

Figure 13. Questionnaire Response Rates by Sector*
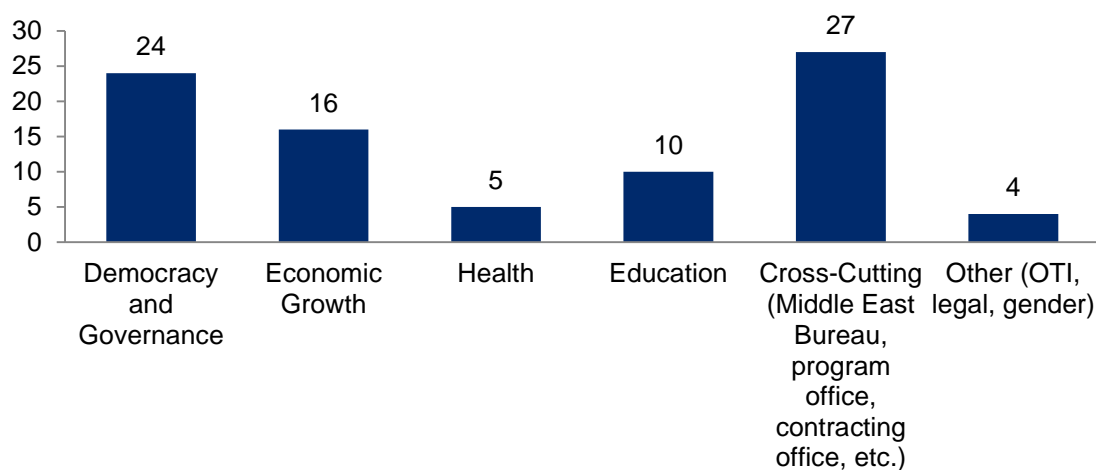
* Respondents had the option to select more than one area of expertise. See Question 3 in Appendix IV.

We purposefully targeted key officials from different levels of the organizations to interview and survey. They included mission directors, office directors, program officers, contracting/agreement officers and their representatives, desk officers, and seasoned FSNs who managed activity functions (Table 3). We did not solicit feedback from nonprogrammatic offices such as staff from information technology, operations, and financial management.

Table 3. Position of People Interviewed or Who Responded to Questionnaire

Position	Number of people interviewed or polled*
Mission Director	5
Office Director	7
Agreement/Contracting Officer's Representative	9
Country Desk Officer	6
Contract Office	5
Program Office	4
Legal Counsel	3
Washington-Based Bureaus[†]	10
Office of Transition Initiatives	6
Foreign Service Nationals[^]	15

* When employees filled multiple roles or worked on an acting capacity, we categorized them in the position with a broader or higher level of responsibilities.
[†] The bureaus are Democracy, Conflict, and Humanitarian Assistance, and Economic Growth, Education, and Environment.
[^] Foreign Service Nationals selected served programmatic functions at least at activity management levels.

In addition to our work at USAID, OIG also interviewed officials from the State Department and experts outside the Agency. We reviewed a number of reports from implementers in the four countries, and identified the challenges they encountered and the lessons they learned. We reviewed reports from GAO, State, international organizations, and research organizations. This survey also drew extensively on previous OIG performance audits in Egypt and Yemen. After data from both primary and secondary sources were compiled, we analyzed the information and identified common themes emerging from the four countries.

Lessons learned and suggestions were provided primarily by the people we interviewed or who took the survey. Through its own analysis, OIG provided some additional ideas for improvement.

MANAGEMENT COMMENTS

MEMORANDUM

TO: Regional Inspector General/Frankfurt, James C. Charlifue

FROM: USAID/Middle East Bureau, Assistant Administrator, Paige Alexander /s/
              USAID/Democracy, Conflict and Humanitarian Assistance Bureau, Acting
              Assistant Administrator, Bob Leavitt /s/
              USAID/Bureau for Policy, Planning, and Learning, Assistant to the
              Administrator, Alex Their /s/
              USAID/Bureau for Management, Assistant Administrator, Angelique Crumbly /s/

SUBJECT: Management Comments on the Survey of USAID's Arab Spring Challenges in
              Egypt, Tunisia, Libya, and Yemen (Report No. 8-000-15-001-S)

We appreciate the opportunity to provide comments on the draft survey of USAID's Arab Spring
Challenges in Egypt, Tunisia, Libya and Yemen. While the survey does not contain any
recommendations for improvement or action, we provide our overall comments on the approach
and context, and highlight actions to address the survey suggestions. We also provide comments
on sections related to Egypt and Tunisia. We have separately provided suggested factual
corrections to information in the report.

Overall Comments

Based on limitations in the survey methodology, the report overall does not provide a full picture
of interagency relationships or USAID's role within the broader foreign policy process. As
noted in the Quadrennial Diplomacy and Development Review, "in political and security crises
and conflicts…the political dimensions of the situation require State to lead in providing an
overall policy and strategic framework for action. The focus of State and USAID's roles is
different, but the capabilities often overlap... For example, when State leads operations in
response to a political or security crisis, it will provide direction on objectives and resources to
be deployed, but USAID will retain operational control over how to deploy its resources to the
field." In addition, the QDDR references that: "In Washington, State and USAID will work
closely with the National Security Staff and other federal agency partners to ensure unified
interagency guidance, planning, and execution."

Certain information on interagency roles and relationships during the Arab Spring may not have
been available to all respondents to the survey, which could have influenced the input provided.
Responding in a crisis environment to a rapidly evolving political and development context

presents unique challenges.   Such challenges do not necessarily reflect overarching difficulties in an interagency relationship, although they could easily be perceived that way, particularly by those not directly involved in the broader policy discussions.

While we appreciate the information provided in Appendix I on the methodology that was used to gather data, in certain cases, the methodology was not fully described or reflected inherent limitations. Specifically:

- The survey was based on input from 70 USAID employees, only 31 of whom were interviewed. The remaining employees provided information through questionnaire responses. It is not clear what percentage the 70 employees represented of those who were involved in activities in the four countries during the covered time period, and how many were field- or Washington-based.   Without fully understanding the make-up of the 70 employees who provided information for this report, it is difficult to put the information provided in the survey into context.

- Although the report covers an extended period of time (December 2010 through June 2014), it is not clear when the interviews were conducted and questionnaires administered. Since the regional context changed rapidly during this period, the input provided may only reflect the views of specific individuals at specific points in time.

- While this is not stated in the draft report, the input provided by USAID employees through the questionnaire should be understood to represent personal views and not a corporate position or U.S. Government policy.

- The questionnaire itself included leading questions that may have skewed results.

Although Appendix I notes that the survey is limited in that it is not statistically representative, the body of the report could be read to imply that the opinions represent a consensus or majority of USAID employees involved in programming in the four countries, and that all survey respondents had sufficient knowledge of the situation to provide informed opinions on all topics. In addition, it is not clear whether questionnaire respondents were advised that the comments they provided could be made public, or included verbatim as part of this survey.

It would be useful if the survey more prominently acknowledged and discussed the limitations in the methodology that was used to gather information.

Country-Based Comments

- **Egypt:** This survey does not include information on the overall context in which programming was undertaken, and omits key background on specific activities. The survey methodology by its nature reflects individual opinions and perspectives, and not all respondents may have access to full information on all topics. As noted earlier, translating a complicated and quickly evolving political relationship into development programs is

challenging. As such, the commentary as it relates to Egypt may not necessarily be reflective of all relevant information, and does not represent a uniform mission or agency perspective.

- **Tunisia:** The survey refers to a lack of assessments. As a result of the security situation, it was not possible to complete the in-depth analyses typically prepared as part of USAID programming. However, within the security and staffing limitations that existed, it is important to note that desk analyses were performed and a strategy outline guided programming decisions.

Lessons Learned and Suggestions for Future Consideration

We have included information below on actions that are underway to address the lessons learned and suggestions provided in the survey. For ease of reference, these actions are numbered as they appear in the survey.

Agency

1. Update ADS 201.3.15.1, "Applicability of Project Design Guidance," and related sections to include additional guidance on how USAID should adapt its project design process in politically sensitive, transition environments. This chapter outlines a project design process to help the Agency maximize its development impact; however, in politically sensitive environments where program decisions are made outside the Agency, ADS is not clear on how to modify the process to fit the circumstances. A number of employees found it difficult to follow current Agency guidelines and questioned the practicality or purpose of adhering to the systematic design process.

    Comment: The Bureau for Policy, Planning and Learning is developing an update of the ADS Series 200, including the Agency's Project Design Guidance, with the goal of issuing the revised ADS in the first quarter of FY 2016. The updated policy and guidance will seek, as a primary principle, to better balance the need for uniform policies and procedures with the flexibility to adapt to realities in the field. New guidance will simplify and clarify essential requirements, wherever possible, providing frontline staff more discretion to adapt the guidance to individual country circumstances, including situations of political uncertainty.

2. Improve guidance on how to increase the flexibility of implementing mechanisms. USAID's *Fragile States Strategy*, issued in 2005, stressed the need to reform the procurement function to add flexibility and increase authorities to expedite implementation. Despite this, a number of people interviewed still cited the need for more flexibility in their implementing mechanisms because the scope of work for the contracts or agreements often restricted their ability to adjust activities to suit the changing environment. While interviewees agreed that flexibility was important, there was no consensus on how to achieve it.

According to a senior mission official, USAID's Office of Acquisition and Assistance has not provided explicit guidance on how best to make implementing mechanisms flexible. Instead, he explained, the flexibility of an implementing mechanism depends heavily on the experience of the contracting officer, the technical office, and how the two cooperate in drafting the scope of work.

Comment: In 2014, USAID's Senior Procurement Executive issued Procurement Executive Bulletin (PEB) No. 2014-01 entitled "Adaptable and Flexible Contracting Types". The purpose of this PEB is to provide guidance on how to allow for learning, flexibility and adaptability in contracts. The two contract types (Type 1 - Single-award (Project-Based) Indefinite Delivery/Indefinite Quantity (IDIQ) contract and Type 2 – Hybrid – CPFF Completion-IDIQ Contract) enable Missions to adapt to new evidence and changing circumstances, in support of Mission strategies and projects, and respond to other impacts relating to project and contract objectives. This PEB is for acquisition contracts only and does not cover Assistance instruments. Grants and cooperative agreements are by nature flexible instruments and can be modified by the parties within the scope and the total estimated amount of the award to adapt to learning and changing circumstances.

3. Create a support office in the region. A number of people who worked on projects in Tunisia and Libya spoke about the challenges of managing projects from Washington, D.C., where staff split their time managing projects in different countries. Having a dedicated regional support office would allow USAID to be closer to the activities and make short trips into countries more practical. Last, creating a support office in the region would mitigate the operational challenges and delays associated with working across several time zones.

As this report was being written, USAID was in progress of creating a regional office in Frankfurt, Germany, to support the activities in the Middle East.

Comment: At the time the Arab Spring began, USAID had a regional technical and program support office (the Office of Middle East Programs) located in Cairo, Egypt. This office operated from Cairo until summer 2013, when certain U. S. Direct Hire (USDH) positions were transferred to Washington following an evacuation. USAID has now established an office in Frankfurt, Germany to provide regional management support and program/technical services.

In addition, to the extent that security conditions allow, USAID has expanded the number of staff based in the field who support programming in Libya and Tunisia.

Mission/Country Office

4. Develop a USAID transition plan at the country level, even if it may change. Numerous people discussed the importance of having a country plan during this period of uncertainty. Doing so would allow USAID to be more proactive in its programming, rather than reacting to the demand of others. Moreover, by having a short-term transition

plan, the Agency would have a better platform to articulate its strategy, particularly when it disagrees with the decisions of other organizations.

Comment: This suggestion is being considered as part of the ADS Series 200 review noted under suggestion #1 above. In addition, the Middle East Bureau is working with its operating units to document strategic planning frameworks that are developed in transitional environments.

Activity

10. Find ways to strengthen local implementer capacity. In transition environments, local implementers may not have the capacity to carry out some of USAID's activities. Designing activities specifically to improve the capacity of local implementers or including capacity development as an activity objective may mitigate this issue.

    Comment: Before making any awards to non-governmental organizations or obligations to partner governments, USAID has a standard methodology for assessing any potential recipient's financial management, democratic accountability (in the case of governments), and capacity to reach agreed-upon results, except in cases where a waiver has been approved.

    For awards to local non-governmental organizations, including local not-for-profit and/or commercial organizations, USAID has a thorough process in place before any award to review a potential recipient's administrative, financial management and technical capacities to manage USAID funds and deliver results. USAID may include internal capacity development as an explicit part of an award.

Miscellaneous

12. Have alternate solutions to address limited presence. We received several suggestions on how the Agency could work more effectively when in-country presence was limited.

    a. Use technology. One interviewee said using Skype was a helpful way to maintain contact with implementing partners in the field. Staff from USAID/Egypt cited the benefits of using video conferencing to maintain cohesion during the evacuation when staff was split between Cairo and Washington, D.C. Last, making sure that telework systems and agreements are in place can minimize disruptions when security prevents access to the work place. [*Please note the Skype may not be used on USAID networks.*]

    b. Employ implementing partners from the region. When local implementers do not have the expertise or ability to execute some of USAID's activities, an Agency employee suggested hiring a qualified implementer from a country within the region. According to the employee, USAID applied this strategy in Libya by using a Lebanese implementer that was less expensive than U.S. firms and also had a language advantage.

    c. Hold meetings in a neighboring country. According to people working on activities in Tunisia, USAID had a meeting with implementing partners in Morocco as a creative way to circumvent staffing restrictions.

Comment: USAID is developing recommendations for managing programming in non/limited presence and/or non-permissive environments. This includes reviewing best practices and lessons learned in implementing and monitoring projects in such environments and the development of tools for enhanced third party and other monitoring. USAID will consider the suggestions provided as part of this process.

Clearance Page - Management Response to RIG Survey No. 8-000-15-001-S

M/OAA, Aman Djahanbani	__draft____	Date: __3/26/15
AA/M, Angelique Crumbly	__draft____	Date: __3/27/15
AA/PPL, Alex Thier	__draft____	Date: __3/27/15
SDAA/PPL, Patricia Rader	__draft____	Date: __3/26/15
GC, Lauren Boccardi	__draft____	Date: __3/30/15
RLO/Cairo, Zeinah Salahi	__draft____	Date: __3/27/15
A-AA/DCHA, Bob Leavitt	__draft____	Date: __3/30/15

USAID/Egypt, Mission Director, Sherry Carlin	Info
USAID/Yemen, Mission Director, Herbie Smith	Info
Libya SDA, Monica Stein-Olson	Info
Tunisia SDA (acting), Kay Freeman	Info

SECTION 7008

Section 7008 of the 2012 Department of State, Foreign Operations, and Related Programs Appropriations Act (P.L. 112-74, division I; 125 Stat. 1195) prohibits foreign assistance to the government of a country whose elected head of government is deposed by military coup d'état or decree. Specifically, Section 7008 states:

COUPS D'ÉTAT

SEC. 7008. None of the funds appropriated or otherwise made available pursuant to titles III through VI of this Act shall be obligated or expended to finance directly any assistance to the government of any country whose duly elected head of government is deposed by military coup d'etat or decree or, after the date of enactment of this Act, a coup d'etat or decree in which the military plays a decisive role: *Provided*, That assistance may be resumed to such government if the President determines and certifies to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office: *Provided further*, That the provisions of this section shall not apply to assistance to promote democratic elections or public participation in democratic processes: *Provided further*, That funds made available pursuant to the previous provisos shall be subject to the regular notification procedures of the Committees on Appropriations.

SURVEY QUESTIONNAIRE

To gain a more complete view on the challenges USAID employees faced during the Arab Spring, OIG gave this survey to employees who were currently working on or had worked on activities in the four countries.

1. **Your experience with the post-Arab Spring assistance is primarily from which country? (Select only one)**
   a. Egypt
   b. Libya
   c. Tunisia
   d. Yemen

2. **What are the approximate dates of your work on this country? (Please approximate the month, day, and year)?**
   Start Date: DD/MM/YYYY
   End Date (use current date if still working on this country):   DD/MM/YYYY

3. **Which sector(s) do you primarily work in? (Select all that apply)**
   a. Democracy and Governance
   b. Economic Growth
   c. Health
   d. Education
   e. Cross-Cutting (ME Bureau, program office, contracting office, front office, etc.)
   f. Other (please specify)

Please select the answer that best describes your experiences in the area you cover since the Arab Spring movement in early 2011:

4. **Evacuations have made the management of my projects…**
   a. Extremely difficult
   b. Difficult
   c. Average
   d. Easy
   e. No experience in this area

5. **Security and travel restrictions have made monitoring projects...**
   a. Extremely difficult
   b. Difficult
   c. Average difficulty
   d. Easy
   e. No experience in this area

6. **Project startup (obtaining registration, licenses, procurement) has been...**
   a. Extremely difficult
   b. Difficult
   c. Average difficulty
   d. Easy
   e. No experience in this area

7. **Since the Arab Spring, project work plans (work plans of implementing partners) have undergone significant changes:**
   a. More often than the typical project
   b. About the same
   c. Less often than the typical project
   d. No experience in this area

8. **Since the Arab Spring, approximately how many times per year have project work plans undergone major changes?** _____

Please indicate your level of agreement with the following statements:

9. **The country lacked strong local implementers with the technical and operational capacity to carryout post-Arab Spring activities.**
   a. Strongly Agree
   b. Agree
   c. Neutral
   d. Disagree
   e. Strongly Disagree
   f. No experience in this area

10. **Since the Arab Spring, US Government assistance has been met by more skepticism.**
    a. Strongly Agree
    b. Agree
    c. Neutral
    d. Disagree
    e. Strongly Disagree
    f. No experience in this area

11. **The U.S. Government has a clear strategy for its post-Arab Spring activities.**
    a. Strongly Agree
    b. Agree
    c. Neutral
    d. Disagree
    e. Strongly Disagree
    f. No experience in this area

12. USAID has a clear strategy for its post Arab Spring activities.
     a. Strongly Agree
     b. Agree
     c. Neutral
     d. Disagree
     e. Strongly Disagree
     f. No experience in this area

13. Since the Arab Spring, the State Department has increased its influence over USAID programs.
     a. Strongly Agree
     b. Agree
     c. Neutral
     d. Disagree
     e. Strongly Disagree
     f. No experience in this area

14. How did this impact USAID?
_____
_____
_____

15. Constant input from external organizations (State Department, U.S. Government, interagency groups, etc.), has slowed down the planning process (e.g., concept papers, project appraisal documents, assessments).
     a. Strongly Agree
     b. Agree
     c. Neutral
     d. Disagree
     e. Strongly Disagree
     f. No experience in this area

16. About how many weeks of work were lost as a result of the constant changes? _____

17. What has been the biggest challenge you have faced in this transition environment?
_____
_____
_____