



USAID
FROM THE AMERICAN PEOPLE

Briefing for Dr. Condoleezza Rice

January 2005



Briefing Overview

Background

- Secretary of State is USAID's Secretary, voice in cabinet
- USAID integrates policy and operations
- Significant recent reforms

Briefing provides understanding of USAID

- Why, who, what, how, where we do our work
- Key challenges

USAID and National Security

"America is now threatened less by conquering states than we are by failing states"

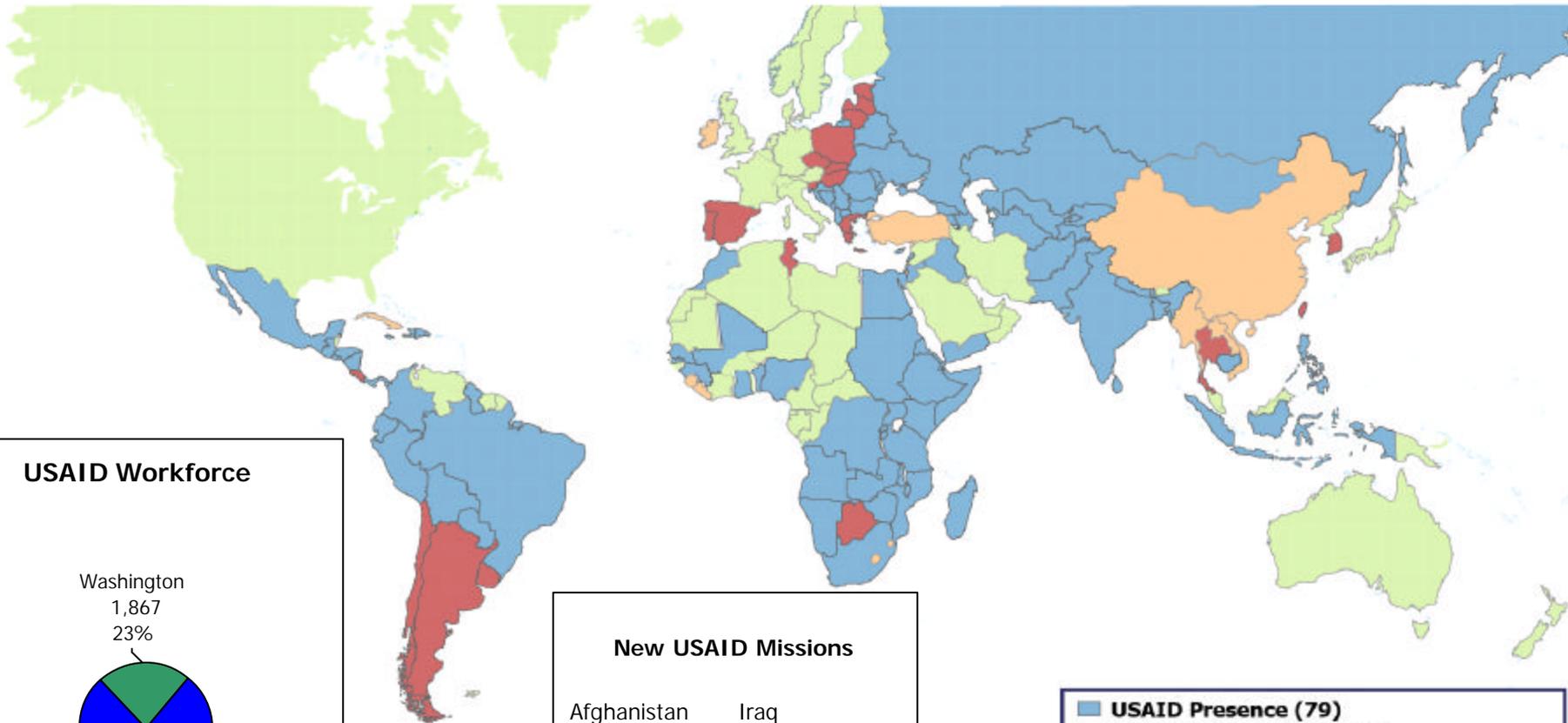
» National Security Strategy, 2002

- Defense, diplomacy and development are pillars of national security

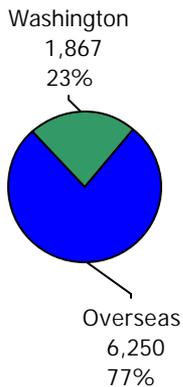
➤ To address national security objectives, USAID deploys experts, establishes programs with measurable results, and increases U.S. influence in distant places that are often marked by instability, corruption, or dysfunctional governments.

People and Locations

USAID-Assisted Countries



USAID Workforce



New USAID Missions

- | | |
|---------------------|------------|
| Afghanistan | Iraq |
| Sudan | Yemen |
| Djibouti | Cyprus |
| Pakistan | East Timor |
| Thailand (regional) | |

- | |
|--|
| USAID Presence (79) |
| USAID Non-Presence (13) |
| Graduated USAID Bilateral Program (20) |

The Development Record

- **Of 34 top U.S. aid recipients (1962-2000)...**
 - 23 have had moderate to rapid growth
 - 11 no longer need development aid
 - 7 are now donors
- **Major achievements in developing countries**
 - **“Green revolution”** - largest increase in agricultural yields
 - **Vaccinations** - 70% children (up from 5% 30 years ago)
 - **Childhood mortality** - cut in half since 1970
 - **Literacy rate** - doubled since 1950
 - **Children in school** - up 77% from 1970

Five Operational Goals

1. Promote Transformational Development
2. Strengthen Fragile States
3. Support Strategic States
4. Provide Humanitarian Relief
5. Address Global Issues and Special Concerns

Programs

USAID supports five operational goals through a wide range of programs

Illustrative Programs

Small business loans

Trade reforms and agreements

Elections and free press

Trafficking in persons

Energy efficiency

Food and humanitarian aid

Agricultural productivity

HIV/AIDS and infectious diseases

Local government

Crop substitution (counterdrug)

Post-conflict reconstruction

Child survival and maternal health

USAID's "Business Model"

- Field-based and decentralized
- High relative degree of accountability
- Key role of civil society
- Deep connection to the governments and societies we work with
- Measurable results
- High level of knowledge of what is happening in society and outside the capital
- Capacity-building through Foreign Service Nationals

Technical Expertise

USAID staff has a wide range of technical skills needed to lead foreign aid policy and programs

Major technical skill areas

- Health
- Disaster response
- Democracy and governance
- Private enterprise
- Agriculture and Rural development
- Environment
- Economics
- Education
- Law
- Food Aid
- Engineering

Delivering Aid

USAID's roles in managing programs

- Influence host country policies
- Lead other donors
- Assessment
- Implementation
 - Prioritize/define programs
 - Manage funds
 - Monitor progress
 - Evaluate/identify lessons
- Report to Washington
- Audit programs

Primary Implementing Mechanisms

- Bilateral agreements (funds, commodities, training)
- Contracts
- Grants
- Transfers to other USG agencies
- Contributions to international organizations
- University partnerships
- Public-private alliances (GDA)
- Professional organizations

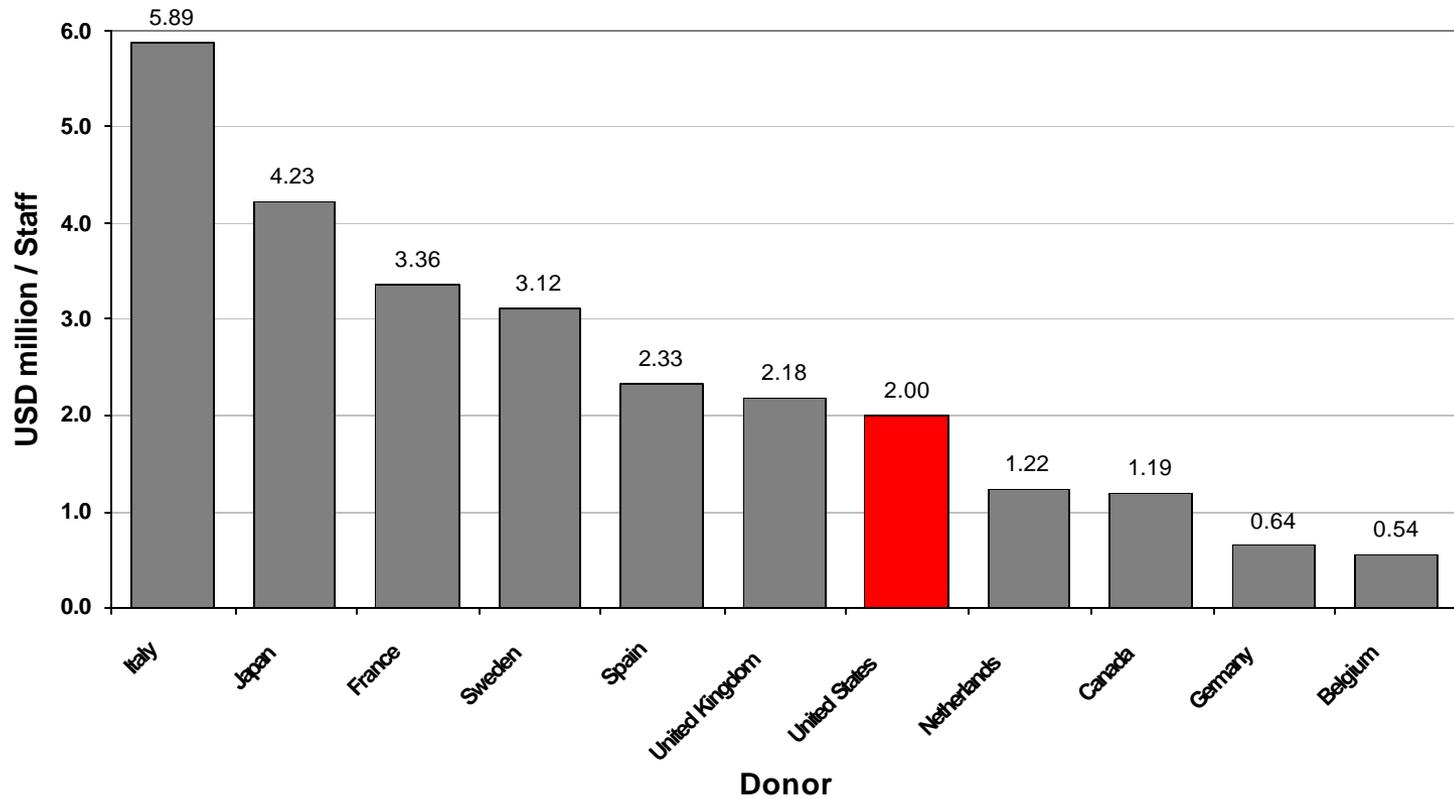
- All roles necessitate **permanent field presence, technical expertise, management skills**

Comparison of Program Mechanisms

	USG Visibility	Accountability	USG Influence	USAID Staff Intensity
UN Agencies and International Organizations	Low	Medium	Low	Low
Host Country Governments	Low	Medium	Medium	Medium
NGOs, Private Sector, Universities	High	High	Medium	High
USAID - best mix	High	High	High	Medium

Staff - Comparisons with Other Donors

ODA to Staff Ratio



Source: OECD/DAC

Humanitarian Relief and Reconstruction

- **Long history of accomplishments**
 - Marshall Plan roots
 - Quick mobilization and delivery
 - Influence international organizations
- **Recent efforts within USAID**
 - Fragile States Strategy
 - Early warning “index”
 - Crisis and Recovery career specialization for USAID FSOs
 - Regional offices for quick deployment in conflict zones
 - Preposition contracts and commodities
 - Vulnerability assessments
 - Restructuring USAID for stabilization and reconstruction capabilities
- **Close partnership with S/CRS**
 - USAID is operational arm

Current Reconstruction Programs

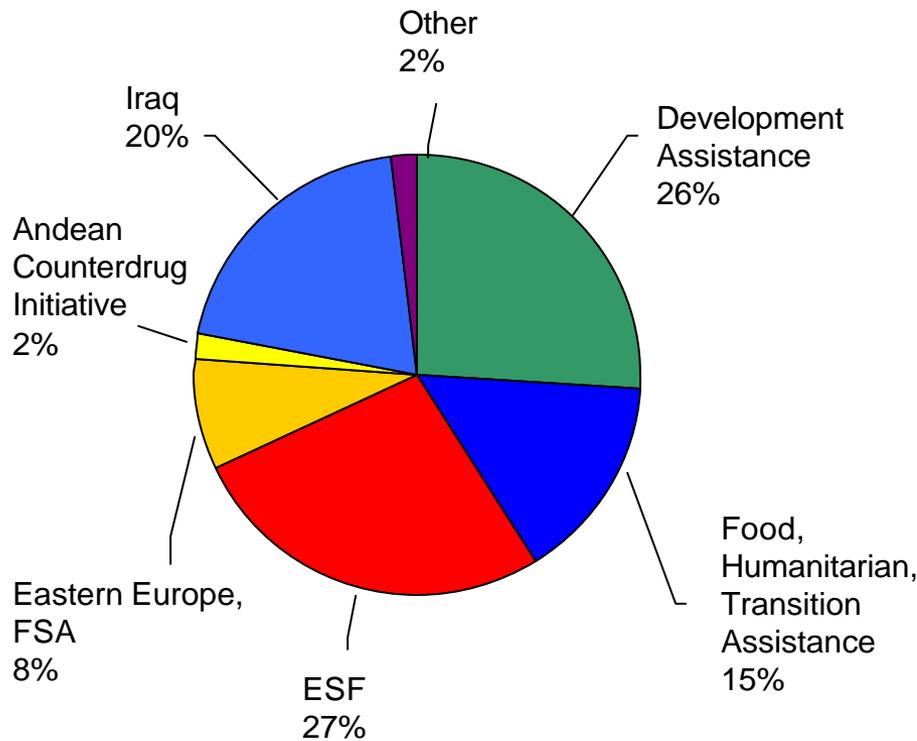
- Asia (tsunami)
- Iraq
- Afghanistan
- Sudan
- Haiti
- Liberia

Presidential Initiatives

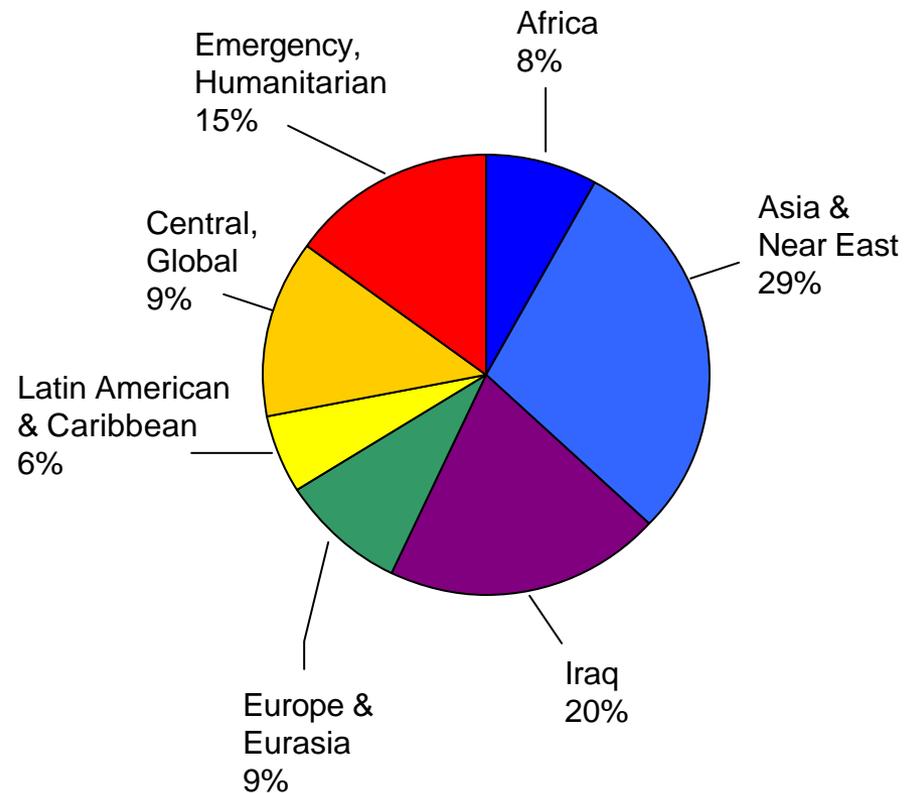
- Afghanistan Road
- Africa Education Initiative
- Centers for Excellence in Teacher Training
- Central American Free Trade Agreement
- Clean Energy Initiative
- Congo Basin Forest Partnership
- Digital Freedom Initiative
- Global Climate Change
- Initiative to End Hunger in Africa
- Trade for African Development and Enterprise
- Water for the Poor Initiative
- Volunteers for Prosperity
- Faith-Based and Community Initiatives
- President's Emergency Plan for AIDS Relief
- Trafficking in Persons
- Middle East Partnership Initiative
- President's Initiative Against Illegal Logging
- Millennium Challenge Account
- Global Fund to Fight AIDS, Tuberculosis, and Malaria

Funding Programs (FY 2004)

Direct & Co-managed Program Funds



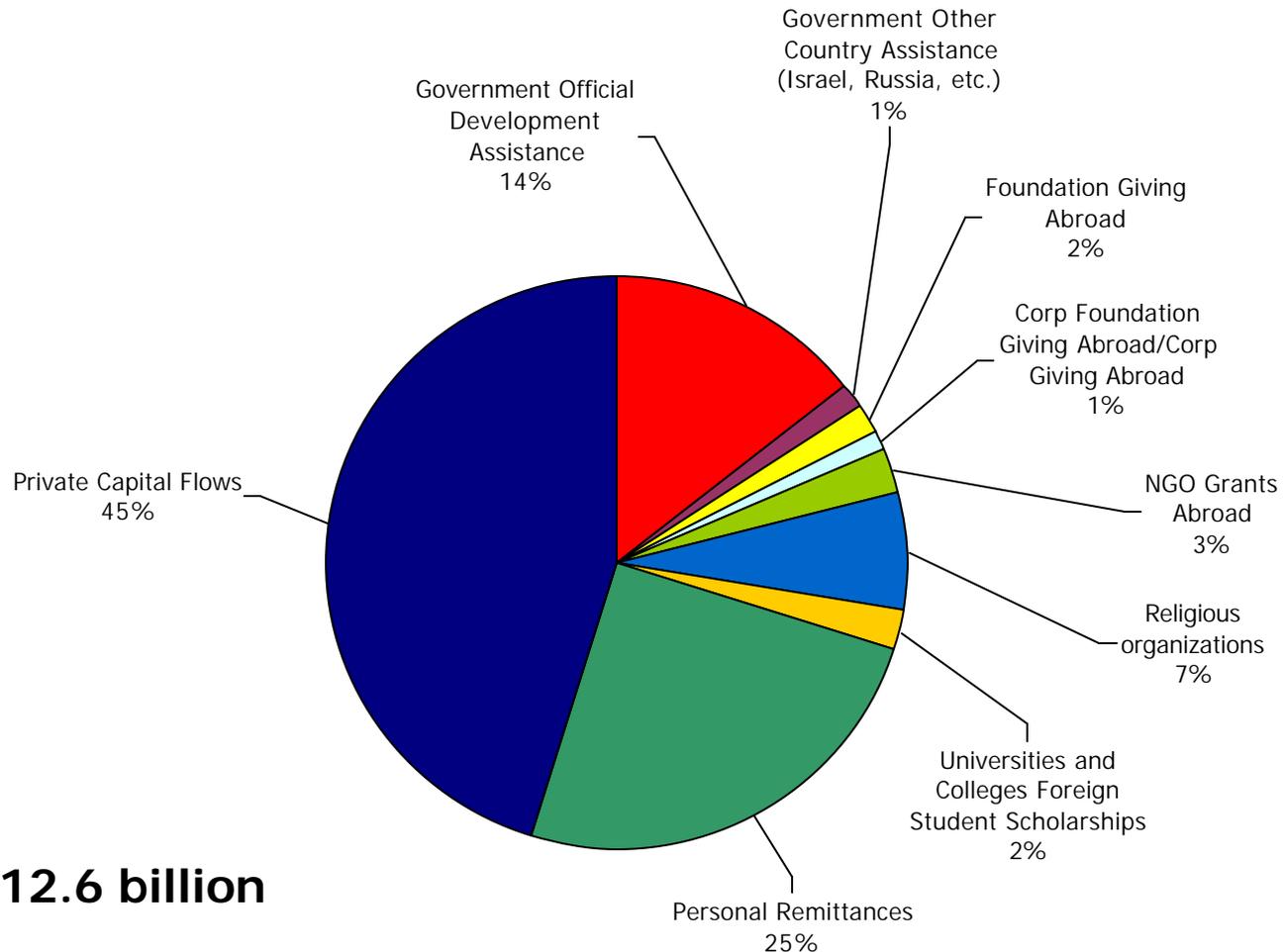
Distribution of Program Funds by Region



Total Funds: \$13.1 bil (FY 04), \$7.9 bil (FY01)

Changing Resource Flows

Total U.S. Resource Flows to the Developing World (2003)



Total: \$112.6 billion

Global Development Alliances

- New resource flows — new opportunities
- GDA builds public-private alliances
 - Connects USAID programs and staff to non-traditional partners
 - Leverages new partners, resources, technologies, ideas
- FY 2003-04 accomplishments
 - 200 alliances
 - \$500 mil from throughout USAID
 - Matched by more than \$2 billion in partner resources

Recent Partnerships

- Angola Enterprise Development Alliance -- Chevron Texaco
- Safe Drinking Water Alliance -- Procter & Gamble, CARE, Johns Hopkins School of Public Health, Population Services International
- Global Alliance for Vaccines and Immunization -- Gates Foundation, World Bank, UNICEF World Health Organization, pharmaceutical industry, various governments

Communicating Our Message

- U.S. foreign aid not visible
 - Need to get our message out
- New USAID initiatives
 - *Frontlines*: Monthly USAID employee newspaper with 35,000 person distribution
 - Marking and Branding:
 - Proposal to require marking of projects, activities, public communications
 - New brandmark and tagline to communicate the aid is “From the American People”
 - All Missions worldwide have country-level outreach strategies
- Challenges: Marking efforts face NGO opposition, not accepted by other USG agencies

Current Brandmark



Marshall Plan Logo



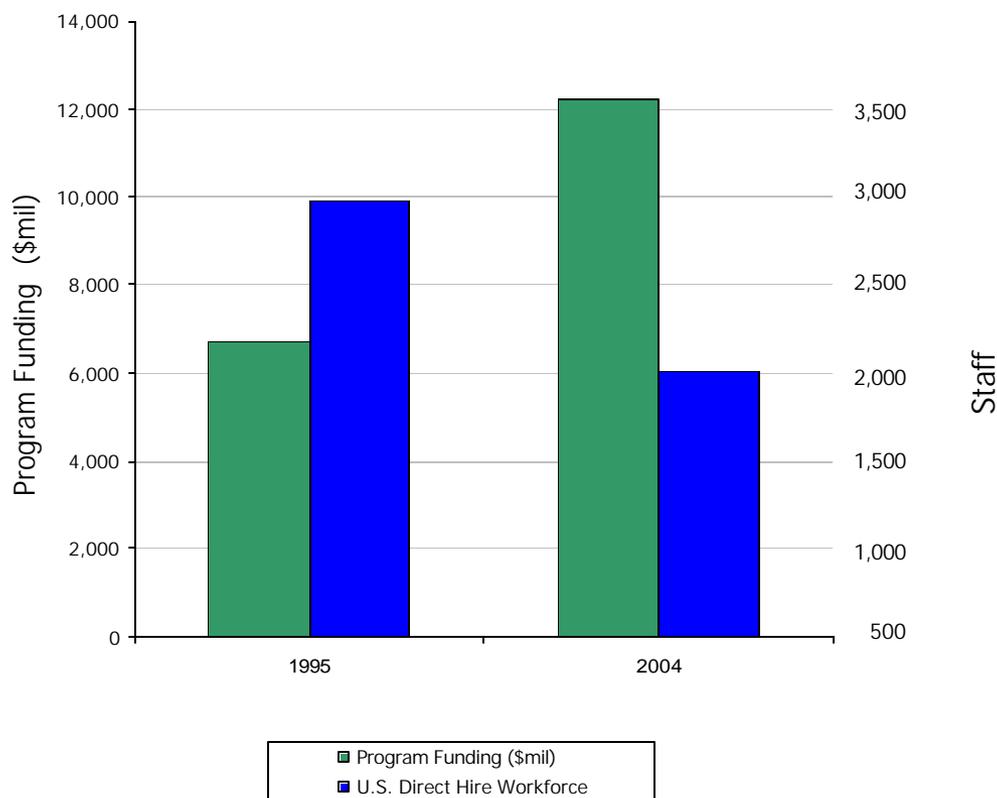
Previous USAID Logos



Budget Challenges: Administrative Issues

- Gap between:
 - Program management responsibilities
 - USAID staffing and administrative expense resources
- Rebuilding USAID workforce
- State/USAID IT systems integration

Program Funding and Workforce



Budget Challenges: Program Issues

- More effectively matching funding with five operational goals
- Constrained emergency and food aid
- Impact of MCA on USAID programs
- Earmarks, directives limit flexibility
 - **33 earmarks = \$2.9B**
 - **338 directives**
 - 50% of development assistance is subject to earmarks or directives

State-USAID Coordination

- Overlapping State-USAID roles and responsibilities
 - Roles of State Coordinators
 - Operational programs
 - ESF management
- Competing constituencies
- Cost of shared services
- Role of Joint Policy Council, Joint Management Council

Summing Up

- New USAID
 - More relevant to foreign policy goals
 - More efficient in operations
- Strengthening link to national security
 - Global War on Terrorism
 - Includes focus on Iraq, Afghanistan, Sudan
- Focusing efforts on five operational goals
- Undertaking more strategic budgeting
- Ensuring appropriate staff levels (DRI)
- Building public-private alliances
- Getting our message out