SPECIAL ISSUE

FRONT LINES

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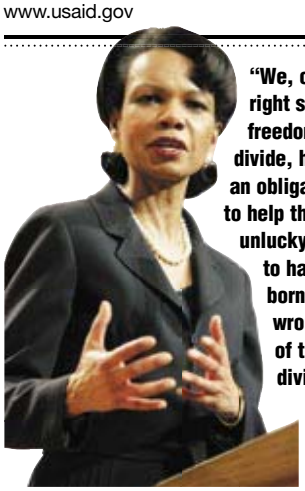
FROM THE AMERICAN PEOPLE

MAY 2005



"We, on the right side of freedom's divide, have an obligation to help those unlucky enough to have been born on the wrong side of that divide."

AP/World Wide Photos

SECRETARY OF STATE CONDOLEEZZA RICE
Speaking at Institute for Political Studies, Paris, Feb. 8.

Joining Forces to Deliver Aid

Sadr City, a teeming slum on the outskirts of Baghdad, is one of the toughest places USAID staff have ever worked. Insurgents make it almost impossible for American civilians to enter the conflict-prone area.

In some of the poorest and most remote parts of Afghanistan, aid workers face similar challenges.

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Four Years of Progress at USAID

After four years at the helm of USAID—a time when resources have nearly doubled from $7.8 billion to $14.2 billion—Administrator Andrews S. Natsios told a general staff meeting April 6 that the focus for the next four years will begin with democracy and the rule of law.

"The failure to deal with these issues is a fundamental reason why many countries have not made progress," Natsios said.

The town meeting to set the agenda for the next four years was held before 1,000 Agency employees at headquarters in the Ronald Reagan Building.

Natsios said that the rapid and effective U.S. response to the Dec. 26 tsunami—one of the most destructive natural disasters in world history—was possible because of unified efforts by the Office of U.S. Foreign Disaster Assistance (OFDA), the Office of Food For Peace, the Office of Transition Initiatives, the Indonesian and other missions, the Bureau for Global Health, and other offices.

Natsios said that staffers "have been empowered to act…using their own innovative and entrepreneurial instincts."

"There was a time when it was not politically correct to take initiative on your own."

Natsios also noted that huge programs in Iraq, Afghanistan, and other post-conflict areas have raised concerns for staff: "Increasingly, they've been called into dangerous and insecure areas of the world to carry our work out."

"I know many of our officers face real security risks in the field. We've just recognized Marian Spivey-Estrada's heroism in Darfur." (As a member of USAID's Disaster Assistance Response Team, she was shot while on an aid mission and was recovering at home.)

"I just want to tell you all that we worry about all of you, particularly when you're in the field, and want you to know that we're working in the senior leadership of the Agency and in the bureaus to ensure that we can do all we can to improve the security environment we're working in," Natsios added.

The five initiatives for the first term have been started but need to be completed, he said. They include

- **Strategic realignment:** This includes publishing *Foreign Aid in the National Interest,* which reflects the post-9/11 Bush administration declaration that development—along with defense and diplomacy—is a cornerstone of U.S. foreign policy. Strategy papers are also out on education, fragile states, agriculture, trade capacity building and anticorruption; and

➪SEE **4 YEARS** ON PAGE 6

AFGHAN REFUGEES RETURN HOME

Ben Barber, USAID

Some of the 3.7 million Afghan refugees who returned home after the repressive Taliban regime was ousted by U.S.-led troops in 2001. After living as long as 20 years in exile, refugees arrived from Pakistan and Iran, riding trucks to a U.N. reception center in Kabul. There, they received payment for the trucking costs and $13 per family member. Refugees also received vaccinations and instructions on dealing with landmines left over from Afghanistan's 20 years of wars. Trucks then carried the returnees to their home villages, where they received a six-month supply of food, building materials, and the seed and tools to begin farming.

An Afghan woman demonstrates that she voted for the first time. Voters were required to dip a finger or thumb in ink to ensure that they voted only once.

Democracy Tops Agenda

As the Bush administration pushes for greater democracy around the world, USAID's Office of Democracy and Governance in the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA) is working to expand its support for free elections, responsible systems of justice, and open media throughout missions around the world.

Weak and failing states may constitute direct threats to U.S. national security and have proven highly resistant to efforts for democratic reform. Yet in the past five years, authoritarian rule in Iraq, Afghanistan, Georgia, Ukraine, and the Palestinian territories has ended through free elections, which USAID backed.

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Q & A: GLOBAL BRANDING

FrontLines caught up with Joanne Giordano, senior advisor to the Administrator, as she visited four missions in Central America last month to help them roll out the Agency's new global branding.

"She energized our whole mission," said El Salvador Mission Director Mark Silverman, "and firmly established branding as a top priority."

"I do a presentation for all staff, and then hands-on training sessions with contracting officers, legal advisors, EXOs [executive officers], and program and communications officers over a three- to four-day period," said Giordano. "Some of the most productive sessions are directly with contractors and their CTOs [cognizant technical officers]."

Note: While branding requirements currently apply in full to contractors, USAID is drafting rules to revise, enhance, and extend branding requirements to assistance awards.

Here are some of the common questions asked during training sessions:

Q: Why has USAID launched a global branding campaign?

A: To ensure U.S. taxpayers are visibly acknowledged for the foreign assistance they finance. The new USAID identity (shown above) clearly communicates our assistance is "from the American people."

Q: Can branding requirements be waived?

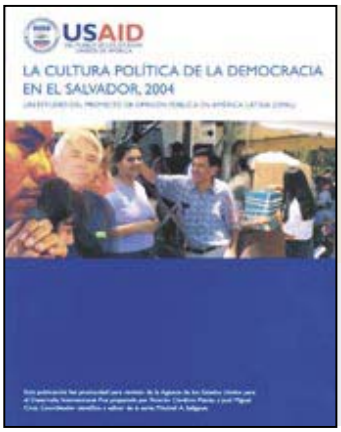
A: Yes. Mission directors currently have the power to waive branding requirements for contracts for security reasons, or if program materials are considered politically sensitive or inappropriate to mark, such as election materials. We are developing an official waiver form. But missions can issue action memos now to waive branding.

Q: Do contractor reports have to follow the new branding guidelines?

A: Yes. But section 7 of the *Graphic Standards Manual* (available at: **www.usaid.gov/branding**) is for professionally printed publications like brochures. Many contractors produce their weekly, monthly, quarterly, and even final reports in Microsoft Word. I am working with a number of contractors to create templates that follow our branding guidelines and also meet their individual reporting needs. Contractors can email me proposed report templates for review as long as they copy their CTOs.

Q: What about branding requirements for grants and cooperative agreements?

A: USAID's marking policy for assistance awards is being reviewed and revised. The Agency expects our Office of the General Counsel to issue the new policy in the coming weeks. Once finalized, I will produce another manual, the *Partner Branding Guide,* which will detail co-branding guidelines for co-funded projects. In the meantime, we encourage—we cannot yet require—partners to use the new USAID identity on all programs, projects, activities, and public communications. ①



In El Salvador, Creative Associates Inc. followed branding guidelines in the USAID Graphic Standards Manual *when producing* The Political Culture of Democracy in El Salvador, 2004.

A list of FAQs will be added to the website **www.usaid.gov/branding** *soon. USAID employees and partners can send additional questions or branded materials for review to jgiordano@usaid.gov.*

Overseas Communications Officers Trained to Tell Agency Story

Wende Duflon of USAID/Guatemala is one of more than 80 development and outreach communications officers (DOCs) and program officers learning how to tell the public about USAID's efforts to help poor countries develop.

"This conference helped me realize I am not alone in terms of outreach efforts," Duflon said at a recent training program.

"It put me in direct contact with colleagues in the USAID professional network around the world who are in tune with local audiences and work with our staffs to make outreach an everyday part of our development work."

Improving the Agency's ability to tell how U.S. foreign aid helps millions live better, healthier lives around the world is one of six major initiatives of Administrator Andrew S. Natsios.

In July 2004, the Bureau for Legislative and Public Affairs (LPA) began an intensive program to provide communications training and support to overseas staff and USAID offices.

Currently, 44 full-time DOCs and program officers handle communications tasks, such as pitching stories to local media; writing speeches and talking points for high-profile public events; and helping translate development work into common, easily understood language.

Since the program's launch, five regional conferences have been held, bringing together Washington and overseas staff to develop communications strategies, effective local messages, and public affairs budgets.

A sixth conference is scheduled for Bangkok in May. In addition, in June LPA will host a one-day conference in Washington for all D.C.-based communications staff.

Ellen M. Yount, USAID

Samia Khalil (left), from the U.S. Embassy in Egypt, and Shaif Al-Hamdany, USAID/Yemen, were two of the participants at the January 2005 conference in Cairo for development outreach and communications officers.

"I had not realized until the training how important this is, or how high up in the leadership of the Agency management this initiative is coming from," one participant said after the March 2005 conference in Senegal.

One aspect of the training is to help educate all USAID employees about where public outreach and communications with host country audiences fit into USAID's—and the wider U.S. government's—priorities.

The Foreign Assistance Act of 1961 requires USAID to inform host countries of assistance provided by the American people.

Since September 11, 2001, there has been growing awareness at all levels of government that these efforts should be increased and better coordinated.

The joint State/USAID Strategic Plan released in 2002, in particular, places a heavy emphasis on communication, especially to young audiences. ①

Ellen M. Yount contributed to this article.

Agency Plays Pivotal Role in 19 Presidential Initiatives

The Bush administration has created 19 Presidential Initiatives that focus on international development—programs that focus on health, education, free markets, economic growth, good governance, the rule of law, and democracy. USAID leads or participates in all 19 initiatives.

President Bush told Agency staffers Jan. 10 that USAID's efforts "to create jobs, promote markets, improve health, fight HIV/AIDS, and help democracy take root are instrumental to making the world a better place and to protecting the American people."

Brief descriptions of the 19 initiatives follow:

Health, sanitation, and nutrition are the focus of four initiatives:

The *President's Emergency Plan for AIDS Relief,* a five-year, $15 billion program, is the largest commitment by a single nation to an international health initiative. The U.S. government is working with international, national, and local leaders worldwide to promote integrated prevention, treatment, and care programs, with an urgent focus on 15 heavily affected countries.

The *Global Fund to Fight AIDS, Tuberculosis, and Malaria* is an international public-private partnership created to increase available resources to fight three of the world's most devastating diseases. The United States is the Global Fund's largest single country donor.

The *Initiative to End Hunger in Africa* seeks to reduce hunger in Africa by half by 2015, in keeping with the first Millennium Development Goal of the United Nations. This program has assisted the formation of 157 public and private partnerships and improved access to knowledge, markets, and technologies for its member organizations. The program has also provided consultation to improve strategic planning and management.

The *Water for the Poor* initiative accelerates and expands international efforts to halve by 2015 the proportion of people around the world who lack access to affordable, safe drinking water and basic sanitation.

Education is the focus of two initiatives:

The *Africa Education Initiative* increases access to quality basic educational opportunities in Africa through teacher training, textbooks, community support, and scholarships for girls.

The *Centers for Excellence in Teacher Training* work in Latin America and the Caribbean to improve the quality of classroom reading instruction in grades 1–3. The initiative targets poorer countries and disadvantaged communities. This program has trained nearly 5,000 teachers in effective reading instruction, helping over 225,000 children in Latin America and the Caribbean learn to read and—more importantly—understand what they read.

Economic growth is the focus of the following initiatives:

The *Trade for African Development and Enterprise* initiative strengthens the ability of African companies and businesses to expand regional and international trade, improves the environment for business and trade, and helps countries mainstream trade into their development agendas.

Under the *Central American Free Trade Agreement* initiative, USAID partners with the Office of the U.S. Trade Representative to provide technical assistance and training to build the trade capacity of governments and the private sector in Central America.

The *Digital Freedom Initiative* promotes economic growth by transferring the benefits of information and communication technology to entrepreneurs and small businesses.

The environment and energy issues are the focus of these initiatives:

The *Clean Energy Initiative* works to increase access to efficient and affordable energy services in underserved areas and to promote cleaner transportation fuels and indoor cooking and heating practices.

The *Climate Change Program* promotes climate-friendly economic development and improves the resilience of vulnerable populations and ecosystems.

The *Congo Basin Forest Partnership* mitigates deforestation and biodiversity loss in key landscapes in the Congo Basin.

The *President's Initiative Against Illegal Logging,* coordinated by the Department of State, assists developing countries in their efforts to combat illegal logging—including the sale and export of illegally harvested timber—and corruption in the forest sector.

Other initiatives, some cutting across several categories of development, include the following:

The *Afghanistan Road Initiative* is reconstructing Afghanistan's major highways and improving economic growth, security, and political integration along the corridor linking three of Afghanistan's largest cities—Kabul, Kandahar, and Herat. As a result of this initiative, travel between Kabul and Kandahar now takes five to six hours, compared with nine to 16 hours a year ago.

The *Faith-Based and Community Initiatives* reach out to faith- and community-based organizations to increase their knowledge of and access to U.S. government funding sources.

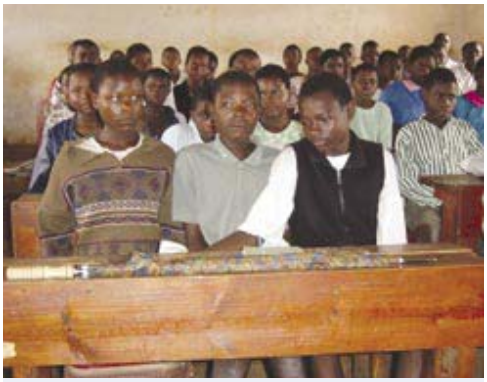
The *Middle East Partnership Initiative* (MEPI) establishes a framework for realigning U.S. assistance programs to the Middle East and North Africa. MEPI works cooperatively with governments and people to promote key economic, political, and educational reform issues and to reduce barriers to women's full participation in society.

The Trafficking in Persons Initiative seeks to assist women and children who have been exploited. It combats trafficking through prevention, protection, and prosecution.

Volunteers for Prosperity deploys highly skilled volunteers in official U.S. foreign assistance programs that advance health and prosperity. USAID is the interagency coordinator for the initiative.

The *Millennium Challenge Account* (MCA) provides development assistance to countries that rule justly, invest in their people, and encourage economic freedom. The Threshold Program was established for a limited number of countries that did not qualify for MCA assistance but demonstrated a commitment to undertaking the reforms necessary to improve policy performance and eventually qualify for MCA assistance. USAID will implement the program. MCA is administered by the Millennium Challenge Corporation (MCC), a new government corporation designed to support innovative strategies and ensure accountability for measurable results. A board of directors that oversees the MCC is chaired by the Secretary of State, and USAID Administrator Andrew S. Natsios is a member. ①

USAID produced *Status of Presidential Initiatives FY 2004,* a detailed and illustrated annual report of all 19 initiatives. For online access, go to **www.usaid.gov/about_usaid/presidential_initiative.**



Students at the Kabwabwa Primary School in Lilongwe, Malawi, who benefit from the Africa Education Initiative. The initiative helps improve primary education by providing teacher training, textbooks, other materials, and scholarships for girls, and it addresses the impact of HIV/AIDS on schooling and the education system.

A plantain sorting facility in Nicaragua. The Central American Free Trade Agreement improved the ability of Central American countries to compete in the global economy. Five countries received over $53 million in training and technical assistance in FY 2004 to enable their private sectors to compete more effectively.

Dr. Siddiqui, center, outside his clinic in Sahaspur Village, India, which benefits from The Global Fund to Fight AIDS, Tuberculosis and Malaria. The international public-private partnership has dramatically increased resources available to fight three of the world's most devastating diseases.

Democracy Tops Agency Agenda

FROM PAGE 1

Programs funding good governance, civil society, and democracy are run by more than 300 U.S. aid experts in some 80 countries, from Albania to Zimbabwe.

In the midst of the war in Iraq, these experts developed programs to build local democratic government from the ground up and helped register voters for the January legislative election. Voting took place in relative order and tranquility in the midst of an armed insurgency, allowing elected representatives to take the reins of government from the transitional authorities.

The staging of the Afghanistan Loya Jirga national assembly in summer 2002, only months after the fall of the Taliban regime, owes much to U.S. logistical support. As the largest and earliest donor, Agency support was pivotal to convening the delegates responsible for ratifying the new Afghan constitution.

USAID also supported the October 2004 presidential elections, when Afghans elected Hamid Karzai. Parliamentary elections are now being prepared—currently scheduled for Sept. 2005—helping Afghans build a legitimate state with institutions that promote good governance and the rule of law.

Less violent, but equally dramatic, were the relatively peaceful democratic transitions in Georgia in 2003 and Ukraine in 2004.

In the decade that preceded the "people-power movements" in both these counties, USAID supported projects to build democratic institutions and civil society, establish rule of law and a democratic legislative base, and develop an independent press.

A poll worker in Kabul explains procedures to voters lined up at a polling center Oct. 9, 2004, for the presidential election.

"As USAID responds to the challenges of the 21st century, it is becoming more clear that democracy is not merely a necessary precondition for sustainable development. Nor is it a twin objective. The struggle for democratic governance is at the core of development, and thus democracy-building must permeate USAID's work in all sectors," said Michael Miklaucic, a democracy specialist in DCHA.

More than 10 million men and women registered to vote in Afghanistan's first democratic election. Voters chose from 16 presidential candidates.

USAID has been a pioneer among donor agencies in promoting democratic reform and building democratic institutions for over 20 years. In the early 1980s, the Agency pioneered human rights promotion efforts in Asia, the Middle East, and Latin America.

In the 1990s, it began implementing comprehensive democracy and good governance development programs.

In 1994 it established the Center for Democracy and Governance (now the Office of Democracy and Governance).

Today, the U.S. National Security Strategy calls for a three-pronged approach that includes defense, diplomacy, and development, so USAID must fuse its efforts in democracy building to the overall national security effort.

It can do this through greater interagency coordination, a greater focus on fragile states, and new practice areas such as security sector reform, Miklaucic said.

Scarce resources and increased demands on the Office of Democracy and Governance remain problematic, however. The Agency continues to seek additional unrestricted funds to implement these programs, but many democracy and good governance efforts are underfunded, especially in Latin America and Africa.

"If democracy is to be the government of choice in our toolbox for fragile states, then increased resources need to be made available to allow us to continue our successes in even more places around the world," Acting Assistant Administrator Bill Garvelink said. ①

Michael Miklaucic contributed to this article.

VOICES OF THE IRAQI PEOPLE

Mobile Medical Team Helps Survivors of Saddam's Nerve Gas

HALABJA, Iraq (Oct. 6, 2003)—Some 15 years after Saddam Hussein dropped poison nerve gas on this northeastern city and surrounding villages, USAID is helping Dr. Sinor Qadir treat people who survived the attacks.

The 25-year-old doctor is part of a mobile medical team visiting villages such as Tawela, perched in steep valleys around Halabja. The team provides medical care as well as training in literacy and sewing to help people earn a living.

"U.S. aid is paying our salaries, the cost of our vehicle, and for basic medicines such as antibiotics, analgesics, and antiparasitics," said Qadir, as nearly 30 women and children crowded into a village house to meet with the team.

But the worst cases are those such as Hawjen Latif, 24, who saw her mother and brother die of nerve gas. "I was little—I don't remember completely what happened," she said, her face troubled. "The gas smelled like garlic and like apples. There was a bombardment."

Other women told Qadir their families suffer from breathing difficulties. "Most suffer fibrosis of the lung from mustard gas," said Qadir. "Because Saddam's forces used a 'cocktail' of sarin, tabun, and mustard gas, little is known about the medical effects and duration of problems," she said.

"This mobile medical program is very good and we hope to expand it," said the young doctor as a mother asked her to examine an infection in the scalp of a teenage girl.

The U.S.-funded medical team is not only treating people, but teaching people about sanitation and other health issues.

"If we didn't have the U.S. funds, we could not do as much as we do—we treat more people, provide more free medicine. If I could speak to Americans, I would say thank you for your humanitarian aid to the Kurdish people, who have been suffering from torture and oppression."

The project, supported by USAID with a $7,000 grant for three months and carried out in cooperation with the Coalition Provisional Authority, supports four mobile teams, including Qadir's. ①

Ben Barber, USAID

Dr. Sinor Qadir is supported by USAID as she treats victims of Saddam's nerve gas attacks in the Halabja region of northeastern Iraq.

Fragile States Strategy Addresses Risks Affecting U.S. National Interest

USAID's *Fragile States Strategy,* published January 2005, takes a fresh look at one of the Agency's core concerns. The strategy lays out steps to help fragile states cope with their unique problems. Those countries are often beset by crisis and poverty—conditions that constrain millions from bettering their lives.

"Both within the United States and internationally, there is now momentum focused on the challenges of fragile states," Administrator Andrew S. Natsios said after releasing the report to Agency staffers. "I believe this strategy is a significant contribution to this discussion and responds to the great needs on the ground."

The strategy lists three priorities:

- *Improve monitoring and analysis in fragile states.* USAID will use a tracking system to identify potential crises and link with monitoring efforts of the State Department's Office of the Coordinator for Reconstruction and Stabilization.
- *Design programs appropriate to fragile states.* These programs will include initiatives that advance stability, security, reform, and institutional capacity.
- *Streamline operational procedures for a rapid and effective response.* The Agency's Office of Conflict Mitigation and Management, within the Bureau for Democracy, Conflict, and Humanitarian Assistance, addresses many of these kinds of issues. USAID also created a Fragile States Council, which is composed of senior managers from all the bureaus. The group will review monitoring efforts, recommend responses, and ensure implementation is timely and coordinated.

The world is changing, and the Agency must change with it, Natsios said.

The *Fragile States Strategy* acknowledges that the United States is threatened more by failed states than by stable ones. Ignoring failed states increases the likelihood of terrorism taking root.

Fragile states can barely provide basic services, opening the door to economic instability, food insecurity, social chaos, and armed conflict.

"Aid is a powerful leveraging instrument that can keep countries allied with U.S. foreign policy. It also helps them in their own battles against terrorism," Natsios said in a speech before the U.S. Institute for Peace April 2004.

The terrorist connection, however, isn't central for a country to be considered a fragile state. Recurrent environmental and climatic problems such as a drought can also weaken a country, said Ruth Buckley of the Bureau for Africa.

Her team is speaking with missions and bureaus throughout the Agency to put the Fragile States Strategy in action on the continent.

"The best investment of our money is preventing the downward spiral into crisis. There's a set of countries where development money can be really effectively and efficiently used, and others where stabilization programming is a better use of our resources," said Buckley, who recently returned from Guinea.

The West African nation does not spring to mind as a fragile state. But some of its neighbors do, and Guinea is one of the poorest countries on the African continent. Those are two of the reasons USAID is working on an assessment of the country, using the framework of the *Fragile States Strategy* as a guide.

"USAID's extensive experience in conflict and postconflict situations uniquely equips us to play a constructive role in promoting stability, reform, and recovery in fragile states," Natsios said. ①

> Many countries where USAID works confront or are vulnerable to crisis, which can take different forms: conflict and insecurity, governance and economic crisis, or famine. Moreover, local conditions can change quickly, requiring USAID to adapt quickly to both challenges and opportunities as they emerge.
>
> Given these distinct realities, USAID's goals in these settings need to differ from those in more stable transformational development states. These goals include enhancing stability and security, advancing opportunities for reform when they arise, developing capacity of essential institutions and infrastructure, and hastening programming response to crisis.
>
> Successful implementation of these initiatives will also require greater resource responsiveness and flexibility to better position USAID to adapt its programs to often rapidly changing local conditions ①
>
> Source: *USAID 2005 Congressional Budget Justification.*

Technology and Training Boost Agriculture's Output

Agriculture in the developing world is slowly shifting away from rural farmers tending their homesteads to business-savvy producers accessing the marketplace.

Even the definition of agriculture has expanded to include not just sowing and reaping, but also processing; marketing; distribution; and trading in food, feed, and fiber.

Producers include people who fish in oceans, rivers, and other bodies of water, as well as those who harvest products from forests.

"In many countries, agriculture is the primary source of income for the rural sector. But that's changing," said John Thomas, acting director of USAID's agriculture office. The Agency is working to get producers to "think in terms of producing for the market. I think the hard part is helping these producers understand the changing consumer demand. That's where we can really make a contribution."

In 2004, USAID published its *Agriculture Strategy: Linking Producers to Markets* with the intent of raising the profile of the role agriculture plays in development.

Agriculture, including forestry and fishing, accounts for one of every two jobs in the world. And, in the next 40 years, population growth will demand that developing countries do more.

"It's pivotal," Thomas said of the strategy, "because it has the focus on markets and recognizes access to markets is essential for agriculture—for food producers to expand their incomes and generate growth in rural economies."

The strategy focuses on four themes:

- developing domestic, regional, and global trade opportunities
- using science and technology, driven by market demand, to reduce poverty and hunger and increase producer competitiveness
- increasing training and outreach to reduce the knowledge divide
- promoting sustainable agriculture and sound environmental management

Work is underway on several of these themes. Many field missions, with Agency support, are implementing programs to promote agribusiness development and increased agricultural exports.

An important element of this assistance is an emphasis on improving food quality and safety to meet internationally recognized and accepted quality standards.

In October 2004, the Global Crop Diversity Trust became an independent international organization. USAID backed the effort to preserve crop varieties from around the world with a $5 million donation. The trust hopes to create a $260 million endowment, and has already raised about $51 million. The trust is part of Agency efforts to use science and technology to help producers increase their yields at lower cost.

USAID is also reinvesting in degree-training programs, which were active in the 1970s and 1980s, but were curtailed in the 1990s because of shifting priorities.

Agriculture accounts for one of every two jobs in the world. Many USAID field missions are implementing programs to promote increased agricultural exports and access to the marketplace.

"We realized that there is a gap in the countries we work in, especially Africa," Thomas said. There are fewer scientists and agriculture faculty members who can conduct research and pass on their knowledge to current and future generations of agriculture specialists.

The Agency is piloting "sandwich programs"—educational programs that divide instruction between U.S. institutions and institutions in the student's home country—in Mali, Kenya, Tanzania, and Uganda. Soon Zambia and Ghana will be added to the list.

Another objective of USAID's training efforts is "to look for innovative ways to do long-term training and to create training and capacity building alliances with the private sector," Thomas added.

This way, developing countries gain the expertise they need in the agriculture sector, and major agribusinesses find new consumers and learn how to market to them. ①

Four Years of Progress at USAID

FROM PAGE 1

the White Paper has been circulated in other U.S. agencies, Europe, and the United Nations. *(See pages 5 and 7).*

- **Business systems modernization:** Natsios cited work on a unified financial management system—Phoenix—which is operational in 13 field missions and should be finished later this year; a new worldwide procurement and acquisition system and an executive management information system are next on the agenda. He also cited the Business Transformation Executive Committee that was formed to get staff input into systems changes, saying that a costly effort to create a new business system in the 1990s failed because it lacked such input. *(See page 7.)*
- **Expanding partnerships:** In three years, the Global Development Alliance (GDA) formed almost 300 alliances, investing $1 billion of USAID funding that was matched by $3 billion from the private sector. The office is one of 18 finalists for an innovations award at Harvard's Kennedy School of Government. USAID is also the third-ranking federal agency in terms of faith-based initiatives. *(See pages 10 and 11.)*
- **Nineteen presidential foreign aid initiatives:** The Agency runs 15 or 16 of these initiatives, including assistance to huge programs such as the Millennium Challenge Corporation and carrying out 60 percent of the President's Emergency Plan for AIDS Relief. *(See page 3.)*
- **Communicating the USAID message:** The Bureau for Legislative and Public Affairs redesigned and relaunched Agency publications, including *FrontLines,* and increased outreach through global training campaign for public information officers. A branding campaign for USAID materials and documents was also launched. *(See page 2.)*

For the coming four years, Natsios listed major regional challenges. Africa faces the pandemic of HIV/AIDS, serious governance problems with emerging democracies, and civil wars such as in the Congo.

Latin America faces a new rise of the authoritarian left and the need to shore up democracy.

The most serious challenges are in the Middle East-Asia region, from Morocco to Indonesia. Ten new missions have been opened in and around this area, a sharp change from the 1990s, when consolidation meant closing missions.

Natsios pointed to the heightened attention the Agency is giving to building democracy. He noted, "What happened in Georgia, what happened in Kyrgyzstan, and what happened in Ukraine have a lot to do with what we have done around the world to build civil society and democratic institutions.

"If we did a survey of opinion within the Agency, I think there would be an overwhelming consensus that the central development challenges we face right now around the world rotate on the issues of democracy, governance, and the rule of law," Natsios added.

"They affect all sectors, they affect all bureaus, because governance is essential to what development is about."

He also said that the Agency will increasingly focus on "working with governments, because we do a lot of our work now through institutions independent of government.…

"Civil society and private institutions are critically important. Private markets are critically important. But we need to focus more attention on capacitating governments, ministries at the national level, provincial governments, and local governments, because ultimately public services are not going to be administered…unless governments function properly.

"And so we need to return to an earlier period in AID where we did more work, not necessarily by putting our money through the ministries but working in the ministries."

Natsios also called for the Agency to work more closely with other U.S. agencies such as the Defense Department, which is involved in aid work in Afghanistan and Iraq, and was part of the initial relief response in tsunami regions.

A reorganization of the Bureau for Democracy, Conflict, and Humanitarian Assistance, for example, includes a military liaison position.

Natsios also said he wants to "restaff the Agency" and train new midlevel managers to replace those retiring, especially after the period of the 1990s when little hiring took place.

And he hopes to simplify the 13 different personnel systems and hire the experts needed so that country programs, country strategies, and project design won't have to be contracted out to non-Agency staff.

The Office of Human Resources "is now designing a course for project design and program design. We need to reestablish that as a core discipline of the Agency," Natsios said.

And, Natsios added: "We are going to appoint a chief scientist for the Agency and a chief economist for the Agency" to have top experts available to guide policy and speak out on important issues. ①

Information Glut Calls for New Systems to Navigate Knowledge

When Susan Wallace joined USAID's Center for Development Information and Evaluation (CDIE) two years ago, she was surprised by the amount and range of information the Agency collected. She was also frustrated at times by how difficult it could be to find that information when needed.

She concluded that USAID needed a one-stop knowledge shop so all employees could locate information more easily.

Two months later, Wallace, chief of CDIE's Development Information Division, was tapped to lead a group that had already begun efforts to improve access to USAID's institutional knowledge. The Knowledge for Development (KfD) Subcommittee, part of USAID's Business Transformation Executive Committee, guides efforts to improve how the Agency does its work.

KfD is modeled after principles of knowledge management that have changed how information is collected, analyzed, and disseminated in the U.S. private sector.

KfD is developing methods and tools to support USAID's staff as it conducts business. For example, the Office of Human Resources requested an Expertise Locator System (ELS) to identify skills, abilities, and know-how of Agency staff, based on assignments, experience, skills, and interests. When starting a project or activity, checking the ELS could provide access to experience that would otherwise have to be relearned.

KfD provides training and facilitation on a proven knowledge-sharing tool: the After Action Review (AAR). As a means to share the perspective of all participants, the AAR occurs promptly after an event and offers a forum to identify areas for improvement and actions that worked well and should be continued.

"People are amazed by how easy and powerful the AAR can be," said CDIE staffer Judy Light, the primary AAR facilitator/trainer. "I've conducted AARs for everything from mission management assessments for the Bureau for Policy and Program Coordination to end-of-year activities for the Office of Acquisition and Assistance."

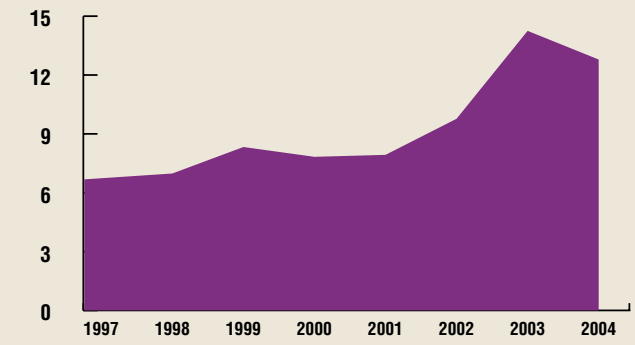
Most recently, the Bureau for Economic Growth, Agriculture, and Trade requested an AAR after an emergency medical situation arose inside the Reagan Building. Light said: "I'm pleased that this AAR led to clarifications of procedures at the Agency level that could literally save someone's life."

KfD is working with the Bureau for Management to develop a USAID portal to provide a secure location for collaboration with contractors, host governments, retirees, other U.S. government agencies, and other USAID employees. It will also support community websites, email groups, and instant messaging, and will provide the means to review and update documents, presentations, and working papers. The only requirement is access to the internet. A pilot portal activity will begin this summer.

"In future, employees will be able to learn more about KfD to improve business processes and provide better access to information," observed Wallace. ①

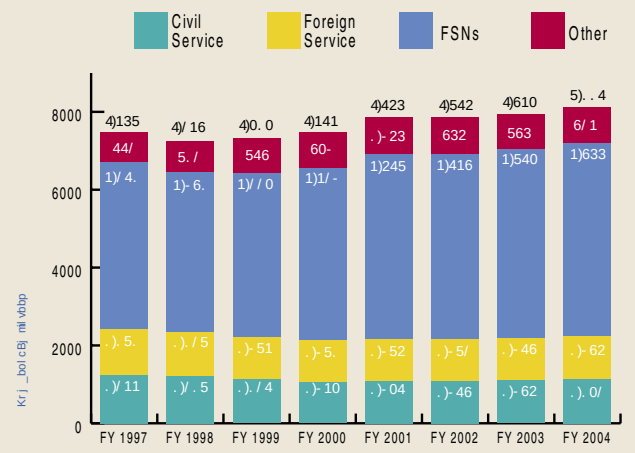
http://knowledge.usaid.gov/

USAID BUDGET SINCE 1997 (in billions)



The past three years—particularly 2003—include huge supplemental spending bills for reconstruction in Afghanistan and Iraq.

SUMMARY OF FULL-TIME PERMANENT EMPLOYEES



Business Systems Reforms Improve Agency Budgets, Personnel, and Information

To make USAID more efficient, transparent, and effective, the Agency will continue its business systems modernization (BSM), standardizing and streamlining administrative systems and financial management tools. The Agency will also continue reforms in human resources, knowledge management, and strategic budgeting.

The goal of BSM is to eliminate duplication, promote transparent information sharing, and update USAID's systems to comply with federal laws and regulations.

"We will finish the work we've started. This includes our business systems modernization, which will result in web-based systems for financial management, acquisition, and assistance, and executive information," Administrator Andrew S. Natsios told employees April 6.

A key BSM initiative is the installation of Phoenix, the Agency's first unified financial management system. Phoenix was installed in USAID's headquarters December 2000, and the work should be completed worldwide April 2006.

With the system in place in Washington, the Agency earned two consecutive years of unqualified ("clean") audit opinions for year-end financial statements from the Office of the Inspector General.

"FY 2003 was the first time ever USAID received a clean opinion," said Deputy Administrator Frederick Schieck, who chairs the Business Transformation Executive Committee (BTEC).

The three-year-old committee is made up of senior career executives who meet monthly to review the progress of USAID's reform initiatives, set priorities, and make decisions. It also serves as the capital investment review board to ensure that the Agency's information technology (IT) investments are within budget and on track.

In 2002, USAID requested through the Development Readiness Initiative (DRI) budget increases to increase hiring and replenish the Agency's staff, which shrunk by 40 percent during the 1990s.

Through DRI, "we are strengthening our ability to respond to crises and emerging priorities," said David Eckerson, chief human capital officer. "DRI is rebuilding both foreign service and civil service personnel, and allowing us to close critical staffing gaps. We brought on board 52 new hires above attrition level in FY 2004, and plan to hire an additional 50 in FY 2005 and 70 more in FY 2006."

"We are also continuing with the implementation of the plan begun in FY 2004 that, with the support of the Congress, is allowing us to hire limited career-appointment direct hires with program funds through FY 2006."

The Agency introduced a strategic budgeting initiative that allocates resources based on program performance, foreign policy importance, country commitment, and development need. USAID also has a new strategic planning process that categorizes hundreds of field activities into 40 standardized program components to develop better performance targets and improve accountability.

In addition, a worldwide staffing template has been created for the first time in Agency history to standardize assignment of foreign service officers by the size of country programs.

In 2004, the first-ever joint State-USAID Strategic Plan was developed. Its Joint Management Council is eliminating duplicative services and integrating IT infrastructure and services.

In 2001, one of the Agency's first reforms was a reorganization to eliminate stove piping and to combine sector resources and expertise. The result was the "pillar" bureaus: Democracy, Conflict, and Humanitarian Assistance; Global Health; and Economic Growth, Agriculture, and Trade.

With technical expertise consolidated, "lessons learned" and "best practices" are more easily shared across the Agency. This also resulted in increased program management responsibilities to the field and increased management flexibility.

USAID's reforms are also customer-service focused. Achievements include the completion of four annual employee surveys that show nearly a 30 percent improvement in satisfaction with the performance of the Agency's systems and services.

Customer service standards for management services and for the technical pillar bureaus were also instituted.

Amid these improvements, USAID's performance in the five priority areas identified in the President's Management Agenda also showed steadily improving scores.

The five areas are strategic management of human capital, competitive sourcing, improved financial performance, expanded electronic government, and budget and performance integration.

"We are at a critical state in our multiyear transformation," Schieck said. "We are off to a strong start and have made steady achievements, but much remains to be done." ①

MAJOR ACHIEVEMENTS 2001–04

- **Received its first ever clean audit in FY 2003 on Agency financial statements that demonstrate transparent and accountable financial practices. Received the same clean audit the following year.**
- **Achieved over 30 percent improvement in employee satisfaction with administrative services as a result of management reforms.**
- **Launched comprehensive human capital strategy and Development Readiness Initiative to identify and close critical skill gaps, revitalize the workforce, and enhance Agency performance.**
- **Began deployment of a new financial management system overseas to enhance decisionmaking and enable fast and accountable transactions.**
- **Received an A+ on computer security by a federal report card in FY 2004. Was the only agency to get the high mark.**
- **Trained over 1,000 employees in programs for emerging leaders, middle managers, and executives to prepare for leadership succession.**
- **Improved alignment of staff with foreign policy priorities, using a new overseas staffing template to standardize assignment of foreign service officers by size of country programs.**
- **Standardized strategic planning process to develop better performance targets and improve accountability.**

White Paper Marked New Policy for Effective, Flexible Aid

Comprehensive policy change is taking root at USAID at the beginning of President Bush's second term, following careful cultivation during the first term.

The new Agency-wide *Policy Framework for Bilateral Foreign Aid* is expected to be issued soon, codifying the White Paper distributed in January 2004. The White Paper is a concise presentation of goals and principles flowing in part from the 2003 report, *Foreign Aid in the National Interest,* and a proposed USAID response.

Foreign Aid in the National Interest takes a long view in examining the critical link between national security and foreign assistance. It lays out the scope and nature of major development challenges America faces in the next 10–20 years. The report was written primarily by leading development scholars and academics outside USAID.

The new USAID policy, like the White Paper, sets five distinct operational goals for foreign assistance. All five goals do not apply to every country. A country receiving disaster assistance, for example, may not be receiving aid to support reform. The five goals are

- promote transformational development in reasonably stable countries, characterized by fundamental changes in governance, economic structure, and human capacity
- strengthen fragile states by supporting reform and stabilization
- support geopolitical interests through aid programs in countries of high strategic importance
- provide humanitarian relief to meet immediate human needs in countries afflicted by natural disaster, violent conflict, political crisis, or persistent dire poverty
- address global issues and other special concerns, such as HIV/AIDS and support for U.S. trade agreements

Aid effectiveness will now be judged against one of these discrete objectives—not, as in the past, on general development criteria. This is particularly significant when the aid is provided for nondevelopmental purposes.

USAID has already taken many important steps to implement the White Paper goals, even before formal issuance of the policy paper.

USAID is promoting transformational development by recommending higher levels of assistance for better performers and making greater use of the Transition Initiatives account to address fragility.

The reformed strategic management process builds in White Paper goals and principles. Regional and other planning frameworks are now being developed according to the White Paper's five goals. An Agency strategy for fragile states was issued earlier this year, elaborating on one of the core goals of the White Paper.

At the High Level Forum on Aid Effectiveness in Paris March 2, Administrator Andrew S. Natsios briefed developing and donor country ministers and heads of multilateral organizations on the Fragile States Strategy.

A key principle emphasized was selectivity: choosing countries where the Agency can best make a difference. Another was flexibility: moving personnel and resources rapidly when an opportunity for selective action arises. "The speed with which you react has a lot to do with whether or not you can prevent chaos," said Natsios.

The successful USAID response to the South Asian tsunami fit well with the White Paper's goals and guiding principles for humanitarian aid. The U.S. investment in humanitarian assistance capabilities made it possible to respond effectively and avert widespread disease that some forecasters had feared would add thousands to the already large number of deaths.

The cooperation between USAID and the USS Abraham Lincoln naval task force fulfilled another guiding principle of the White Paper: coordination among U.S. agencies. Another key principle pursued effectively was the emphasis on supporting local capabilities to respond to disasters. ①

U.S. Leads Rise in 2004 as Global Aid Donations Increase to $78.6 Billion

The total of all foreign aid given by the United States and other donor nations and groups to all poor countries—known as Official Development Assistance (ODA)—reached a new high of $78.6 billion in 2004.

This rise in donations was indicated by the annual survey of the Organization for Economic Cooperation and Development (OECD), released in April.

The United States led other nations in ODA in 2004, handing out $19 billion, followed closely by Japan with $8.9 billion. France, the United Kingdom, and Germany all followed closely behind Japan.

The U.S. ODA was 14 percent above its assistance in 2003 and marked a doubling in the government's development aid since 2000.

Under the Bush administration, U.S. assistance rose from $10 billion in 2000 to $19 billion in 2004.

At a State Department briefing April 11, spokesman Richard Boucher said: "Official development assistance from the United States constitutes 24 percent of the world total, the highest share of such support in nearly 20 years. Our current assistance levels are more than twice the commitment made by President Bush at the Monterrey Financing for Development Conference in 2002."

The increase is due mainly to a $1.8 billion contribution by the United States to the International Development Association, part of the World Bank, and sizeable outlays of $875 million for Afghanistan and $2.9 billion for Iraq in 2004.

"I'd also note—this is not part of their official numbers—but that over 50 percent of the funding from the U.S. Agency for International Development in 2003 and 2004 is going to predominantly Muslim nations," Boucher added.

The OECD said it expects further increases in ODA this year and in 2006.

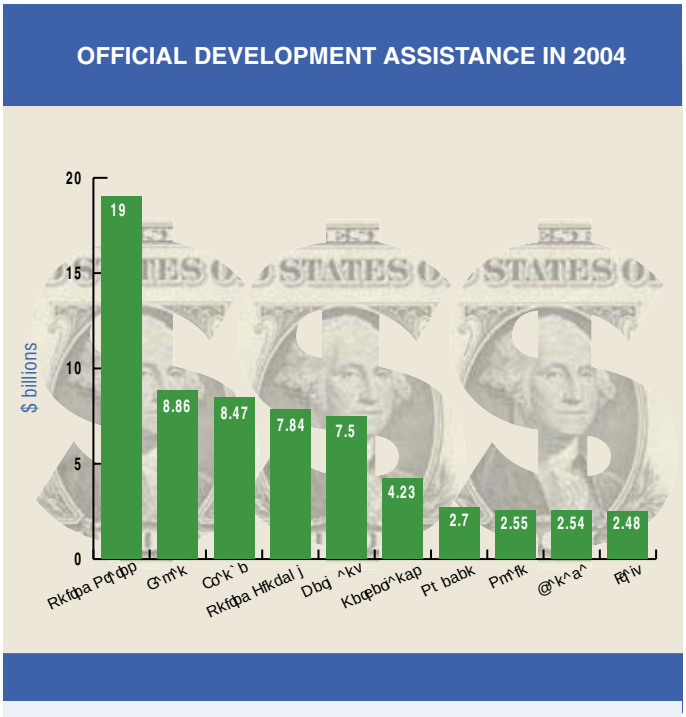
The money nations are spending on tsunami aid and debt relief for Iraq will begin to come into play then.

Contributions to the World Bank and increases in bilateral aid budgets will likely make up the rest of the increases, the group said.

And Boucher added another factor expected to play a role in the rise in U.S. ODA: the Millennium Challenge Corporation, which administers aid targeted to countries that make commitments to economic and social reform, will begin to expend its funds.

ODA is the pot of government funding provided to USAID, the Peace Corps, multilateral institutions, and certain programs sponsored by the departments of State and Defense for use in global development projects.

That amount is dwarfed, however, by aid from private groups and corporations, whose contributions now make up about 80 percent of total development assistance coming from the United States. ①



U.S. Official Development Assistance was 14 percent above assistance in 2003 and marked a doubling in the government's development aid since 2000.
Source: OECD.

Bush Thanks Staff for Foreign Assistance Work

President Bush addresses USAID employees at the Ronald Reagan Building Jan. 10, 2005, as Secretary of State Colin Powell, Administrator Andrew Natsios, and Jack Hawkins, director of Volunteers for Prosperity, look on. Bush offered thanks for the foreign assistance work carried out by thousands of U.S. and foreign staff around the world, especially during the gigantic relief effort needed to cope with the tsunami in Asia.

Worldwide Tsunami Relief Pledges Top $6b

The Dec. 26 earthquake and tsunami in the Indian Ocean cut communications and isolated many communities, but reports of the disaster spread like wildfire around the world.

The number of dead grew into the thousands with each passing day. After two weeks, reports spoke of more than 100,000 deaths—a figure that would be dwarfed by the final estimates of about 273,000 dead and missing. About a third of them are people who vanished without a trace and are unofficially presumed to have died.

There was no outbreak of disease and no loss of life due to epidemics. This is mainly because donor nations and aid groups quickly joined hands with disaster relief officials in the affected nations to dispatch immediate relief, organize assessment teams to measure the need, and prepare for one of the world's largest humanitarian relief operations in history.

Relief reached the needy as they set up shelters in tents or in hundreds of schools, temples, mosques, and churches, or with families unaffected by the disaster. Food, clean water, medical care and other help was rushed by plane, helicopter, ship, and trucks.

Soon after the magnitude 9.0 earthquake struck, USAID formed an emergency Response Management Team (RMT) to coordinate aid. Missions in Indonesia, Sri Lanka, Thailand, and India immediately released $100,000 to each country for their Red Cross or other local humanitarian groups.

The U.S. State Department set up a core group of nations, along with Australia, Japan, and India, to coordinate aid. State also prepared lists of missing American citizens to help their relatives determine their fates.

The Department of Defense set up Joint Task Force 536 at an air base in Thailand.

U.S. military officers there met with civilian relief specialists from USAID's Office of U.S. Foreign Disaster Assistance and agreed to ferry the Agency's relief supplies into Banda Aceh, Colombo, and Sri Lanka.

Although Aceh province had been off-limits to most aid workers for 30 months as the government fought a separatist movement, USAID did have an assistance program there with the International Organization for Migration (IOM). USAID and IOM hired 80 large trucks and loaded them with food, water, electric generators, and barrels of gasoline. The convoy—traveling from Medan over damaged roads—delivered the first relief to Aceh.

Two days after the tsunamis struck, Indonesian Vice-President Muhammad Jusuf Kalla met with 200 ambassadors, donor agencies, and NGOs.

"They showed us staggering pictures taken when the president [Susilo Bambang Yudhoyono] flew from Papua to Banda Aceh Monday—the vice president said he'd seen enough. It looked like he had seen a ghost," said Jon Lindborg, deputy mission director in Jakarta.

Aid from all over the world flowed into Aceh quickly. U.S. aircraft carrier group Abraham Lincoln was soon off the Aceh coast. Helicopters from the carrier began carrying food and water to tsunami survivors on the badly hit western side of the coast, where roads and bridges had been destroyed, cutting off all land communication with the relief effort building up in Banda Aceh.

One month after the tsunamis, the International Federation of Red Cross and Red Crescent Societies announced that the $1.2 billion pledged worldwide was sufficient to its relief program.

By March, governments pledged more than $6 billion in relief and reconstruction funds. Americans alone privately donated another $1 billion to relief agencies.

As the efforts in the Indian Ocean shift from relief to reconstruction, USAID is playing a major role. Counseling and support for orphanages, job creation programs, and other efforts is ongoing. ①

AP/World Wide Photos

U.S. Navy personnel load a helicopter with relief supplies in Indonesia.

Ben Barber, USAID

Men at Banda Aceh Airport look at a signboard with names and photos of some of the more than 100,000 people still missing and presumed dead in the tsunami.

Ben Barber, USAID

Survivors of the tsunami in Banda Aceh earn $7 per day clearing away muck from a school through a USAID-funded program, which is operated by the moderate Islamic organization Muhammidiyah.

Joining Forces to Deliver Aid

FROM PAGE 1

Carrying out programs in these environments has presented a real challenge to how USAID goes about its business. The day-to-day work in Afghanistan and Iraq over the last two years is redefining how USAID operates.

Some of the key ingredients of success are a creative and flexible staff, close collaboration with the U.S. military, and strong relationships with local people.

"Ten years ago, working hand-in-hand with the military was unusual," said Amanda Levenson, USAID/Afghanistan's controller. "There has been a shift in thinking on both sides. The military now understands the value of what we do and includes economic growth goals in their exit strategies."

Kirk Day, USAID's Office of Transition Initiatives representative, said cooperation with the military in Iraq is equally close. "We're here for the same purpose: to help Iraq and for our national security. We just approach it differently," he said.

In Sadr City, the military gave Day and his team carte blanche to get projects off the ground.

The military, in turn, acted as USAID's eyes and ears, ensuring projects reached the intended beneficiaries and helping identify priorities.

In Afghanistan, the mission turned to Foreign Service Nationals (FSNs) from other USAID missions to jumpstart programs while local FSNs were being trained.

FSNs often have skills and knowledge direct hires do not. Recruiting them from other missions and capitalizing on their expertise was one of the most significant aspects of the mission's success.

Another part of the equation was building relationships with local people, including contractors. In Iraq, participation by Iraqis in every project is the only way to operate. In Afghanistan, there is a similar push.

Not only is such participation a security issue, but it builds local capacity and ownership—two of USAID's nine principles for reconstruction and development.

Working with local partners when it is difficult—or often impossible—to see the work they are doing demands trust and flexibility on both sides.

Not being able to get out is one of the biggest frustrations for mission staff, said Allyson Stroschein, special assistant to the assistant administrator for Asia and the Near East, who recently returned from almost a year in Iraq.

Working with the military helps, but USAID staff had to work quickly to find other ways to manage projects effectively in these environments.

In Afghanistan, the mission often uses fixed-price contracts for building schools, for example, to help lessen the accounting burden.

Using larger international organizations as fiduciary agents for fledgling local organizations and government ministries gives the new organizations ownership over the activities and allows USAID to account for the funds more directly.

As Levenson said, "It's exciting because people are willing to stretch the envelope to solve a problem. Every week, there is something new." ①

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Agency Funding for Faith-Based Groups Hit $500m in 2004

In 2004, the Center for Faith-Based and Community Initiatives (CFBCI) at USAID helped the Agency coordinate $500 million in projects, the third largest sum among the 10 federal agencies that participate in the initiative.

Now there are imams in Ethiopia educating their followers about HIV/AIDS, monks in Cambodia working against human trafficking, and mullahs in Bangladesh who have also added elements of USAID's development strategies to their school's curricula, Administrator Andrew S. Natsios said recently.

"USAID has a proven track record of supporting faith-based and community organizations," said CFBCI Director Garrett Grigsby. "In fact, there are many places where we would be unable to do our jobs effectively without partnerships with such groups."

Over the past two years, CFBCI has provided outreach and technical assistance to faith-based and community organizations. It has also worked to ensure a level playing field for these organizations in competing for Agency assistance awards.

To reach out, the center has held over 200 meetings with leaders of faith-based and community organizations, participated in numerous conferences to reach potential USAID partners, and compiled an email list of approximately 1,300 groups.

Staffers have also visited USAID missions to observe projects conducted by faith-based and community organizations and produced outreach materials and a webpage to help organizations navigate the funding process.

Food for the Hungry, a Phoenix-based humanitarian and development organization, is one recent recipient.

The Christian group was awarded a five-year, $8.2 million grant in 2004 from the President's Emergency Plan for AIDS Relief to conduct abstinence-based HIV/AIDS education programs for young people in Ethiopia, Haiti, Mozambique, and Nigeria.It was among several faith-based organizations that joined together to compete for the grant.

©Rodney Rascona, Food for the Hungry US

Food for the Hungry is one of a growing number of faith-based groups that is partnering with USAID in development projects, including at this therapeutic feeding and HIV/AIDS hospital in the Democratic Republic of Congo.

"Just as Christians in other eras and places have pioneered care for lepers and responses to plagues and epidemics, the time has come for the western-based church to respond to HIV/AIDS," said Ben Homan, president of Food for the Hungry, after the grant was awarded. "Much work is set before us—and we have only begun to scratch the surface of the most serious humanitarian crisis [HIV/AIDS] now facing the world."

In another instance, 11 organizations—including several that are faith-based —won five-year grants through a competitive process to develop support programs for orphans and vulnerable children affected by HIV/AIDS.

World Concern, along with other members of a faith-based consortium, helps churches and community groups in Kenya, Zambia, and Haiti provide counseling and create preventative HIV/AIDS education programs.

The upshot of the Agency's outreach efforts has been an increase in applications from faith-based and community organizations.

Just a few years back, these groups found barriers to their participation in some USAID activities.

Since it has been up and running, CFBCI at USAID has tried to change that, educating Agency bureau and mission staff about the initiative and publishing *Participation by Religious Organizations at USAID,* which contains rules for collaborations between the Agency and faith-based groups.

"It would be foolish of us not to take advantage of all that faith-based and community organizations have to offer, such as their efficient use of resources, their broad experience, and their community-based approach," Grigsby said. ①

USAID Improves Performance, Accountability Reporting

USAID moved up 12 places, to ninth, in the Mercatus rankings of federal agency performance and accountability reporting for FY 2004.

Moving from 21st place in FY 2003, USAID improved its overall score, surpassing 12 other federal agencies in one year, and placing the Agency in the top 10 for the first time since FY 2000.

The 1993 Government Performance and Results Act requires agencies to issue annual reports on goals and performance.

The Mercatus Center, an independent research and education organization located at George Mason University, evaluates major federal departments and agencies on the fullness and accuracy of their disclosures.

Rating criteria include leadership, transparency, and public benefit.

USAID was the most improved agency from FY 2003 to 2004," said David Simpson, senior program analyst with the Bureau for Policy and Program Coordination and co-chair of the performance and accountability report core team.

"We were also recognized in four different areas as being among the strongest scores."

The departments of Labor, State, Transportation, and Veterans Affairs had the highest rated reports, while Defense, Homeland Security, and the Office of Personnel Management ranked lowest. ①

For more information on the ranking of federal agencies, go to **www.mercatus.org/governmentaccountability/**

RANKING OF 24 FEDERAL AGENCIES FOR FY 2004

Labor	1	USAID	9	Treasury	16
State	2	EPA	10	GSA	16
Transportation	3	NRC	10	NASA	16
Veterans	3	NSF	10	SSA	16
Commerce	5	Interior	13	OPM	21
SBA	6	USDA	13	DHS	22
Justice	6	Education	15	Defense	23
Energy	6	HUD	16	HHS*	24

* not evaluated

Source: Mercatus Center's Sixth Annual Annual Performance Report Scorecard

Women Get Help in Stopping Violence and Defending Their Rights

Iraqi women learn computer skills.

From the conflict in Sudan to the recent devastation of the Asian tsunami, women and children suffer most from displacement, are more vulnerable to sexual violence, and face the harsh realities of inadequate access to basic services, such as health, education, and food.

USAID's Office of Women in Development (WID) is taking the lead on bringing attention to problems—and solutions—that can affect women, men, and children who face complex emergencies.

"Addressing gender and development has been a U.S. government priority for many years," Administrator Andrew S. Natsios said in a speech in March. "Our Office of Women in Development…has played a critical role in the Agency as the central point of technical leadership and expertise on gender issues and social, economic, and political development."

WID has worked for 30 years to help the Agency design, implement, evaluate, and report on projects that take into account the different roles of men and women, the relationships and balance between them, and the institutional structures in societies.

"Attention to the significant role that women play in societies and the necessity of their full participation in decisionmaking has made development progress possible," said Katherine Blakeslee, WID director.

In 2000, USAID began requiring that gender considerations be included throughout its projects.

Since then, WID has supported gender integration training for approximately 1,000 USAID staff and partners globally, answering a growing demand for gender integration from the field.

Last year, with the assistance of WID, the Bureau for Africa held three regional workshops on gender in economic growth and agriculture.

In 2003, gender assessments became one of three mandatory assessments for all USAID missions and operating units.

In Ghana, Ethiopia, and Jamaica, the Safe Schools Program is cutting down violence against girls in schools. Gender and Education Advisor Julie Hanson Swanson said that the Safe Schools Program "offers an opportunity to make people aware and generate solutions to this invisible but dangerous threat to girls' education."

In Benin, Albania, and Guatemala, the Women's Legal Rights Initiative informs women about their rights to own and inherit property.

Other successes over the last four years have included the overturning of the conviction and death sentence against Amina Lawal, the Nigerian woman whose prosecution for having a baby outside of marriage garnered international attention. USAID contributed funds and expertise to the legal team that presented briefs before the Sharia Court of Appeals in Katsina.

Difficult issues remain, however. Nearly two-thirds of the countries in which USAID works are affected by civil strife and conflict. Violence against women and children in those countries and in transition countries has emerged as a major concern.

The Joint State/USAID Strategic Plan: Fiscal Years 2004–2009 lays out the U.S. commitment to supporting programs that deter and address the consequences of violence against women.

"The Office of Women in Development takes a leadership role within the Agency and in the international community to advance these issues, which are critical to the success of foreign assistance programs today," said Blakeslee. ①

Alliances Link Government and Private Group Aid and Expertise

It was a new way to help poor countries: development alliances that combine U.S. government cash and expertise with the money and business savvy of U.S. companies, foundations, and NGOs.

USAID has worked with foundations for more than 40 years. But under the auspices of the Global Development Alliance (GDA), such partnerships have become more frequent.

After only three and a half years, the Global Development Alliance (GDA) has matched $1 billion in USAID funding with $3 billion in private funds, changing the way the Agency approaches development assistance.

The Ash Institute at Harvard University's Kennedy School of Government recently named GDA as one of the 18 most innovative initiatives in government.

GDA coordinates agreements between the Agency and corporations, nonprofits, and other government agencies to put together ideas, technologies, and funding to tackle problems in countries and territories where USAID works.

The programs unite the diverse but often complementary interests of public and private actors.

For fiscal years 2002–04, USAID invested over $1 billion across 290 public-private alliances in 98 countries and every region and sector.

GDA is committed to changing the perception of USAID from an opaque bureaucracy to an open, accessible service provider, facilitator, and resource partner.

In practice, GDA has enlisted a wide range of partners, including corporations, foundations, faith-based groups, and universities. Partners range from Home Depot to Aveda to the Kellogg Foundation.

"GDA—unlike many government reform initiatives—in less than four years moved from being a lofty idea to an operational reality in missions around the world," said Holly Wise, who retired in March as the GDA's first director.

Dan Runde is currently the acting director.

The GDA Secretariat has worked to educate Agency staff about its new approach to development. It has delivered more than 25 workshops reaching over 800 USAID staff.

GDA has set up scores of projects with oil companies and other firms and organizations. Projects range from building schools to getting former combatants back to their farms.

But to have permanent impact, the alliance-building model will have to be practiced throughout the Agency's regional and functional bureaus.

Throughout the world, alliances can work in such areas as environment, conflict mitigation, education, health, economic growth, agriculture, and communications.

Procter and Gamble (P&G)

A mother feeds a child with water treated by PuR water treatment technology. USAID's public-private alliance with Procter and Gamble is one of the over 290 Agency-wide alliances formed since 2002.

"The greatest measure of a new direction in a bureaucracy is if you can recognize it 10 years later," said Administrator Andrew S. Natsios.

"Not in the name it was called, but in what it practiced and achieved. I dearly hope to look back 10 years from now and see the hallmarks of public-private alliances and a diverse range of partners, as the fight to reduce poverty continues." ①

Notes from Natsios

I unveiled earlier this year the "Nine Principles of Development and Reconstruction," which were inspired by military doctrine and patterned on the *Nine Principles of War,* found in every soldier's manual.

During the cataclysmic events and conflicts of the nineteenth century, war theory came to be studied scientifically as part of broader inquiry, drawing in some of the greatest minds of the time. Carl von Clausewitz was among the first to study war with philosophic rigor. He drew lessons from the military genius of Napoleon Bonaparte as well as from ancient Chinese texts and the thought of Sun Tsu.

Like the *Nine Principles of War,* the "Nine Principles of Development and Reconstruction" has evolved out of the study of history. The principles attempt to distill fundamental lessons learned and bring greater clarity to the operative principles that inform the mission of USAID.

This can be useful in at least two important ways.

First, it can help those of us that design programs to think more strategically and coherently. Like the Nine *Principles of War,* they can illuminate the way we approach, understand, and assess our endeavors.

Second, given the central prominence that development now plays in the foreign policy of this country, it is incumbent on us to make our mission and the way we operate better known to the outside world.

This is particularly true with regard to the media and the policymaking establishment that funds our initiatives and determines our mandate.

Development is not a matter of applying a blueprint or formula. It is a very long process that can move at different speeds and can suffer reverses, even among longer-term positive trends. When these principles are consistently applied, development succeeds and nations are built.

The nine principles will help us strengthen and formalize USAID's institutional culture at a time of significant retirements and new recruitment. They will also help us articulate to those outside the development community how we approach development, which is especially important given the new prominence of development in national security policy. ①

Nine Principles of Development And Reconstruction Assistance

These nine principles are the key tenets of USAID's work. The principles are not a checklist. They are a summary of the characteristics of successful assistance programs. They cannot be applied the same way in each situation, but should serve as a reference for development practitioners as they design and implement programs.

1 Ownership
Build on the leadership, participation, and commitment of a country and its people.

2 Capacity Building
Strengthen local institutions, transfer technical skills, and promote appropriate policies.

3 Sustainability
Design programs to ensure their impact endures.

4 Accountability
Design accountability and transparency into systems, and build effective checks and balances to guard against corruption.

5 Assessment
Conduct careful research, adapt best practices, and design for local conditions.

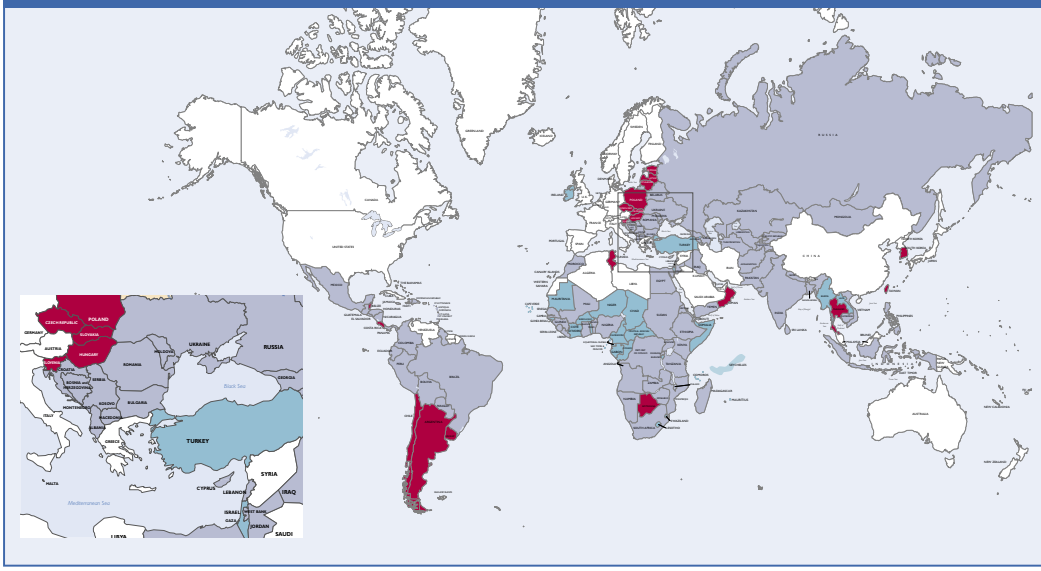
6 Results
Allocate resources based on need, local commitment, and foreign policy interests.

7 Partnership
Collaborate closely with governments, communities, donors, NGOs, the private sector, international organizations, and universities.

8 Flexibility
Adjust to changing conditions, take advantage of opportunities, and maximize efficiency.

9 Selectivity
Allocate resources to countries and programs based on need, policy performance, and foreign policy interests.

USAID PROGRAMS: PAST AND PRESENT.



USAID assisted

Limited USAID assistance

Graduated from assistance (since 1965)

Other countries assisted (not shown): Humanitarian assistance in the form of food aid is provided to North Korea in times of crisis; Algeria receives information technology assistance; Venezuela is part of a regional trade program; and an HIV/AIDS program and support to Tibetan communities are carried out in China