



USAID
FROM THE AMERICAN PEOPLE



Conference Synthesis Report

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CONFERENCE SYNTHESIS REPORT



Management Systems International

Corporate Offices

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ABOUT THIS REPORT

This conference report provides a synthesis of the key points, trends, best practices, and innovations presented at plenary sessions during USAID's 2010 Project and Program Development Officer's Conference. The report is comprised of keynote speeches and an executive summary for each session. For further detail, PowerPoint presentations and session notes are available for plenary sessions and select breakout sessions on Program Net (<http://communities.usaid.gov/programnet/index.php?q=announcements/conference-notes-presentations>) located on USAID's intranet.

ABOUT THE 2010 PROGRAM AND PROJECT DEVELOPMENT OFFICER'S CONFERENCE

This conference was the first conference of this type to be held for all program and project development officers around the world. The objectives of the conference were to:

- Understand the new directions of the Obama Administration
- Strengthen professionalism and the problem-solving network
- Create a community where every 02/94 in the Agency supports the organization's revitalization
- Re-emphasize and re-invigorate project development (backstop 94s) as an important component of the Agency's 21st Century arsenal
- Identify ways to revitalize and improve the Agency's core business and program processes
- Share successes and challenges around the world
- Advance the professional disciplines and the career development of individual officers

Despite experiencing two historic snowstorms, 228 out of 242 registered participants attended the conference. Most importantly, participants came together to prepare a set of priority policy recommendations for consideration by senior USAID management in order to contribute to rebuilding USAID into the world's premier development Agency.

THE AGENDA

Please note that a number of changes were made to the original agenda to accommodate shifts in speakers due to the severe weather. The following reflects the actual agenda followed at the conference:

Monday, February 8, 2010

8:30am – 10:00am **External Environment – Plenary I**

Presenter: Dr. Maura O’Neill, Chief Innovation Officer

10:30am – 11:30am **External Environment – Plenary II**

Quadrennial Diplomacy and Development Review (QDDR) and the Presidential Study Directive (PSD) 7.

Presenters: Leon S. Waskin, Office of the Chief Operating Officer (COO); Ambassador James Michel, Counselor to the Administrator; and Thomas Johnson, COO

11:30am – 12:30pm **Strategic Planning**

Moderator: Leon S. Waskin, COO

Presenters: Ambassador James Michel; Wade Warren, Office of the Director of U.S. Foreign Assistance (F); and Amani Selim, USAID/Egypt

2:00pm -3:00pm **Future Role of the BS 02/94**

Presenters: Deborah Kennedy-Iraheta, HR/OD; Susan F. Fine, COO

Tuesday, February 9, 2010

8:30am – 10:00am **Aid Effectiveness: Use of Country Systems – Plenary**

Moderator: Thomas Briggs, COO

Panelists: Thomas L. Rishoi, COO/PAC; William Reynolds, M/OAA/GRO; David Ostermeyer, CFO; Joan Atherton, ODP/BMD; and Raghav Kotval, GC

10:30am – 11:30am **Project Design for the 21st Century – Plenary**

Moderator: Grant Morrill, COO/PAC

Panelist: Leon S. Waskin, COO

11:30am – 12:30pm **Project Design for the 21st Century - Break Out Sessions**

Breakout 1: Comparative Donor Design Process

Panelists: Jennifer Lee, COO

Breakout 2: Implementation Mechanisms

Panelists: Thomas Rishoi, COO/PAC; and Dana Stinson, DCHA/DG

Breakout 3: Project Design Analysis

Presenter: Mary Ott, EGAT/EG

Breakout 4: Strategic Partnerships

Moderator: Gail M. Spence, ODP/Private Sector Alliance

Panelists: David Ferguson, Director of Global Development Commons

1:45pm – 2:30pm

Keynote Address by USAID Administrator Shah

2:30pm – 3:30pm

Evaluation, Performance, and Knowledge Management – Plenary

Presenters: Gerry Britan, MPBP/EVAL; Krishna Kumar, COO/PM/SIME; and Joe Gueron, CIO/KM

4:00pm – 5:00pm

Evaluation, Performance, and Knowledge Management – Breakout Sessions

Breakout 1: Evaluation Policy

Gerry Britan, MPBP/EVAL and Krishna Kumar, COO/PM/SIME

Breakout 2: Knowledge Management

Joe Gueron, CIO/KM

Breakout 3: Performance Management

Michelle Adams-Matson, MSI

Wednesday, February 10, 2010

8:30am – 12:00am

Roundtable Working Groups-- Speaking from the Field

Presenter: Mark Meassick, USAID/Kenya

2:00pm – 4:00pm

Information Tools and Best Practices from the Field– Plenary

Moderator: Robert Birkenes, DCHA/CMM

Presenters: James Sanford, RDMA/Bangkok; Rosa Maria Chavez, USAID/Peru; Karili Melo, USAID/Brazil; Warren Harrity, RDMA Bangkok; Mike Reilly, USAID/Bolivia; Sofia Villalba, USAID/Ecuador; Greg Swarin, RDMA Bangkok; Soad Saada, USAID/Egypt; John Packer, USAID/Indonesia; Mohammad Haseeb, USAID/Afghanistan; Clay Epperson, USAID/Afghanistan

4:30pm – 5:30pm

Operating in High-Threat Environments (HTE) – Plenary

Presenter: Richard Hough, USAID/West Bank and Gaza

Thursday, February 11, 2010

8:30am – 10:00am

Roundtable Working Group Report Out

10:30am – 11:30am

Professional Development – Plenary

Panelists: Valerie Dickson-Horton, HR/OD and Nancy McKay, HR/FSP

- 11:30am – 12:30pm **Professional Development – Breakout Sessions**
- Breakout 1: How to Apply Your Strengths to a Job You Love**
Resource Person: Valerie Dickson-Horton, HR/OD
- Breakout 2: Professional Development of Foreign Service Nationals**
Resource Person: Elvira Challenger, USAID/Bosnia
- Breakout 3: Development Leadership Initiative**
Resource Person: Nancy McKay, HR/FSP
- Breakout 4: Professional Development of Mid-Level Program Officers**
Resource Person: Susan F. Fine, COO
- 3:00pm – 4:00pm **Regional Bureau Meetings – Breakout Sessions**
- Breakout 1: Africa Bureau**
- Breakout 2: Middle East Bureau**
- Breakout 3: Asia Bureau**
- Breakout 4: Europe and Eurasia Bureau**
- Breakout 5: Latin America and the Caribbean Bureau**
- 4:30pm - 5:15pm **USAID Communication Essentials – Plenary**
Presenter: Joseph A. Fredericks, Director Public Information & Senior Brand Manager
- 5:15pm – 5:30pm **Office of Small Disadvantaged Business Utilization – Plenary**
Presenter: Mauricio Vera, Director of the Office of Small and Disadvantaged Business Utilization
- 5:30pm - 6:15pm **Civilian Military Relations--- Plenary**
Presenter: Richard Byess, DCHA/OMA
- Friday, February 12, 2010**
- 8:30am – 10:00am **The Budget Process**
Presenter: Wade Warren, Office of the Director of U.S. Foreign Assistance (F)
- 10:00am – 11:00pm **Roundtable Working Group Breakout Sessions—Finalizing Policy Recommendations**
- 11:00pm – 12:00pm **Closing Remarks by Alonzo L. Fulgham**

KEYNOTE SPEAKER- DR. RAJIV SHAH

Administrator

Dr. Rajiv Shah was sworn in as the 16th Administrator of the United States Agency for International Development (USAID) on December 31, 2009. USAID, a U.S. Government agency, has provided economic and humanitarian assistance worldwide for almost 50 years.

Previously, Dr. Shah served as Under Secretary for Research, Education and Economics and as Chief Scientist at the U.S. Department of Agriculture, where he was responsible for safe, sustainable, competitive U.S. food and fiber system, as well as strong communities, families, and youth through integrated research, analysis, and education. At USDA, he launched the National Institute of Food and Agriculture, a new scientific institute that elevated the status and funding of agricultural research to be more in line with other major scientific groups. He also produced innovative initiatives in bioenergy, climate, global food security, childhood obesity, and food safety.



Prior to joining the Obama Administration, Shah served as director of Agricultural Development in the Global Development Program at the Bill and Melinda Gates Foundation. In his seven years with the Gates Foundation, Shah served as the Foundation's director of Strategic Opportunities and as deputy director of policy and finance for the Global Health Program. In these roles, he helped develop and launch the foundation's Global Development Program, and helped create both the Alliance for a Green Revolution in Africa, and the International Finance Facility for Immunization-an effort that raised more than \$5 billion for child immunization.

Prior to joining the Gates Foundation in 2001, Shah was the health care policy advisor on the Gore 2000 presidential campaign and a member of Pennsylvania Gov. Ed Rendell's transition committee on health. He is the co-founder of Health Systems Analytics and Project IMPACT for South Asian Americans. In addition, he has served as a policy aide in the British Parliament and worked at the World Health Organization.

Originally from Detroit, Michigan, Shah earned his M.D. from the University of Pennsylvania Medical School and his Master of Science in health economics at the Wharton School of Business. He has attended the London School of Economics, is a graduate of the University of Michigan, and has published articles on health policy and global development. Shah previously served on the boards of the Alliance for a Green Revolution in Africa (AGRA), the Seattle Public Library, and the Seattle Community College District. In 2007, he was named a Young Global Leader by the World Economic Forum.

Dr. Shah is married with two children. He lives in Washington, D.C.

KEYNOTE SPEAKER-ALONZO L. FULGHAM

Chief Operating Officer and Executive Secretary

Alonzo L. Fulgham serves as Coordinator of the Agency's Transition Efforts and as Chief Operating Officer (COO) and Executive Secretary. As COO, Fulgham has broad authority for ensuring the formation and implementation of USAID's policy and strategic planning agenda, and overseeing USAID's program and management reforms. He provides leadership on the full range of issues facing the agency.

As the USAID Administrator's Representative, Fulgham also served as a Commissioner of the bipartisan, Congressional Commission for Helping to Enhance the Livelihood of People Around the Globe (also known as The HELP Commission). The Commission was charged with examining U.S. Foreign Assistance and proposing actionable recommendations to strengthen U.S. Development Assistance as one of three essential foreign policy tools, along with Defense and Diplomacy, in support of U.S. national security, human progress, global economic prosperity, and peaceful societies.



Fulgham is a member of the Senior Foreign Service. He served as Mission Director in Afghanistan from June 2005 to July 2006. Prior to that, he served as the Director for South Asian Affairs in the Bureau for Asia and the Near East (ANE). In 2003, he joined the ANE Bureau as Special Assistant to the Assistant Administrator for Asia and the Near East, Ambassador Wendy Chamberlin.

In September 2001, Fulgham served as acting USAID Deputy Director for Serbia and Montenegro. From March 1993 to February 1998, he served in Jordan - initially as Private Sector Officer and then as Director responsible for economic policy and poverty reduction. In March 1998, he was assigned to the Regional Mission for the Caucasus as Director for Economic Restructuring and Energy, responsible for Georgia and Azerbaijan. In June 2000, he was selected to study at the National Defense University (ICAF).

He is a member of the board of directors of the Society for International Development (SID). He is the recipient of a Presidential Meritorious Rank Award for his work as Mission Director in Afghanistan and the Agency's Superior Achievement Award for his accomplishments as Chief Operating Officer and Executive Secretary, and numerous other performance awards, notably for his work in Afghanistan, and - more broadly - in Eastern Europe and South Asia.

Fulgham joined USAID in 1989 as Private Sector Advisor in Swaziland. In March 1992, he was selected as an International Development Intern (IDI). Fulgham has a Bachelor of Science from Fisk University and a Master of Arts from the National Defense University. He was a Peace Corps Volunteer in Haiti from 1984-1986 and speaks Creole and Spanish. He is married and has three children.

KEYNOTE ADDRESS BY ADMINISTRATOR RAJIV SHAH

DR. RAJIV SHAH: I thought I'd start just by sharing a couple quick comments on Haiti. You know, when this tragic earthquake took place on the 12th of January – we're now nearly a month out – our talented team at OFDA and in DCHA activated their processes. And the response management team and the disaster-assistance response team went to work.

But what also happened in parallel was the President of the United States called and asked USAID to lead a whole-of-government approach to put assets and resources from across the federal government into a place to serve people who are going through a tremendous, painful and tragic situation.

And I just want to commend that team. The way they invited in their partners from everyone from the Federal Emergency Management Agency to the Department of Health and Human Services and the Department of Defense really helped make this a tremendous response.

And now, a month out, U.S. medical personnel have seen nearly 30,000 patients, performed hundreds of surgeries, and saved thousands of lives. We've had food distributed to nearly 2 million people over a two-week period. We've managed to provide security through, of course, our military counterparts but under the direction of our civilian authority and civilian guidance. And that has effectively tamped down and maintained a sense of order around Port-au-Prince and in many other parts of Haiti.

And we have been in a position where we've been able to lead in a way that I think a lot of other agencies are able to recognize – a thoughtful and committed approach to, first, doing everything we possibly could to save lives, meet basic needs and help begin to make a transition into relief, recovery and reconstruction.

And I think it just highlights the talent of our team. We have also talked about the Foreign Service nationals – the unbelievable commitment of the Foreign Service nationals in Haiti who have lost homes, who've lost, in some cases, family members, but who come to work every day.

And I've taken great satisfaction in being part of that process and in seeing the reaction around the federal government and from the President and the American public, who greatly appreciate the work of USAID employees and Foreign Service nationals in this effort.

So it's one example of something you all do in the countries you serve on a day-to-day basis. It's also a visible example that reminds people of the power and promise of this great Agency. I'm really proud of what we're doing in Haiti, and I think you'll see as we go forward that USAID will play a significant role in coordinating and leading this effort for some time to come. And that highlights for me what I think this next year or 18 months represents for us. I believe we have a unique moment of opportunity.

If you haven't yet read President Obama's Nobel Peace Prize acceptance speech, I would encourage you to do so both because he is an amazing speaker and it's a wonderful speech but also because you'll get a sense of just how deep his personal and policy commitment to development is.

This is a president who believes in development in a fundamental way and believes in development as a partnership-- a real partnership where equal parties come together to resolve problems where we have mutual interests. He uses the language "enlightened self-interest" to describe why solving problems like

Five Principles for Programming Design and Strategy:

- (1) Focus
- (2) Scalability
- (3) Measuring and Learning from Results
- (4) Sustainability
- (5) Partnership

poverty, ill health, corruption, lack of transparency, ineffective governance – why those issues are in our strategic interest.

He also talks about operational principles-- about pursuing our work with respect for our counterparts in partnership with other donors, countries and the people we serve in a way that is transparent and accountable so the American public can have greater faith and hope for the work that you do. It reflects a deep commitment that this president has in development, which is then translated into a deep commitment for this country's premier development agency --USAID.

Secretary Clinton also shared that view. She gave a wonderful development speech at the Center for Global Development highlighting a set of principles around partnership and accountability, which are very consistent with what you've been hearing about and working on for the past few days.

And I can tell you, having just gone through a Senate confirmation process, that the Senate and its members on the committee that oversee our work are firmly committed to using this moment in time to help rebuild USAID.

When I think about that, I think one of the core opportunities to do that is to engage in our programmatic work differently and in a way that's more effective and more transparent and more accountable over time.

In the fall, I was struck when I read an employee survey that showed that the commitment to our mission is around 92 percent in terms of our commitment to our basic mission.

These are numbers that you wouldn't see in any other walk of life. It really demonstrates that, for those of you that have been part of this agency for far longer than I, this is a mission that connects to your passion and you come to work to express that passion, which is serving others and helping other leads better lives.

"I can tell you unequivocally that this Administration absolutely expects that you will be strategic leaders, that you will be thought leaders...."

-Administrator Shah

However, I was equally struck in reading those surveys that the numbers in response to questions like, "the work processes and systems enable me to be successful," were actually very modest -- in the 50s. And so my joke was we have to do whatever we can to bring these numbers together. Yet I hope it's not by lowering the first number. It really has to be raising that second number and doing it in a very deliberate and focused way.

One way to do that is to put processes in place that support effective project design and strategic planning that will allow you to stand as equals with other development partners and friendly governments in developing real strategies. We need to create an intellectual vision of where we should be going and work within that framework as a respected thought leader.

With that in mind, I thought I'd share a few basic principles of programmatic design and approach to strategy that I hope become a hallmark for how we move forward. I was struck in meeting with program and project development officers that there was a period of time when perhaps the message from Washington was, please don't spend too much time thinking about strategy; focus instead on operational planning and contracts or whatever the alternative to that is.

I can tell you unequivocally that this Administration absolutely expects that you will be strategic leaders, that you will be thought leaders, that you will be the types of partners that are developing a vision of where a country can go and aligning our work against that vision in a way that allows you to express your knowledge and your expertise as development experts in a fundamental way.

Focus

As you do that, I hope you will take into account the following basic principles: The first is focus. In an environment where we have limited resources to spend, where, in my personal experience, whether in South Asia, India, or sub-Saharan African countries, the needs far outstrip our ability to spend resources to meet their needs, where our passion and commitment numbers are so high on our survey results – focus is going to be very, very hard to do. It's very hard to say that there is something we are not going to do or that we are going to do less. As people who want to solve problems and serve others, it's not part of our culture to say no. We're always trying to find a way to say yes.

Still, if we can find a way to responsibly narrow the set of things we focus on, if we can find a way to reinvest and build real technical expertise and excellence around those things, and if we can find a way to build the strategic, intellectual and recognized leadership and thought leadership in those sectors, I believe we will be more effective over time. We'll be able to have success stories like the Asian green revolution or like oral rehydration therapy that have characterized this agency as the premier development agency again.

The first principle I'd ask is that in the context of programmatic design and the development of strategies, that you come up with innovative ways to focus. That might mean engaging other partners to take on other sectors. It might mean coming up with systems in country to say no when people come with requests. And it might mean building your staff and your expertise in ways that differ over time because you have a more narrow view of what you can do.

Within those areas of focus, I would ask that you really invest resources, human capital, listen to a broad range of partners and become absolutely recognized as the best people in the world to solve X problem in Y place. That could be agriculture in Kenya; it could be health systems strengthening in Tanzania; it could be democracy and governance in Afghanistan. Whatever the area is, let's focus on a fewer set of things and become recognized as the world's greatest leaders in those areas of focus.

Scale and Scalability

A second aspiration for principle around programmatic design is to think very seriously about scale and scalability. When I was at the Bill and Melinda Gates Foundation, this was probably the single thing we focused on more than anything else and was, in a way, very quantitative and financial. I don't know that it necessarily works in every sector in every part of the world. I trust that you as experts and innovators will come up with ways to think about how to document and how to plan programmatic activity so that it reaches scale.

There are some basic principles you can apply. We can be very good at identifying what the total need is in a particular country, in a particular sector, over time. You can identify whether your investment strategies are efficient at meeting those needs. For example, I have seen two types of education – I've seen a lot of different education projects in looking at AID programming – and in some cases the cost per school is comparable with any other partners in the world. And we likely do a much better job of building schools, providing teacher training and providing for improved educational outcomes in those schools.

However, in other situations if you were to measure it that way, our unit costs per school or per pupil are so extraordinary compared to other partners that we really do have to ask ourselves, why is that the case? How can we do this differently so that we can do things in a way that allows for financial scalability; so that instead of resources going to 50 schools or a hundred, we can reach 500 schools or 5,000 schools and have a much broader impact profile.

So I would ask that you think very carefully about scale and sustainability and that you use financial metrics like unit cost when you assess. Is a cost per household or cost per pupil or cost per patient, do those numbers look right to you?

Do they look like you could go back to the American people and say: for \$25 a kid, we can provide this benefit through immunization or we can provide this benefit through democracy-in-governance programming; is that something that sells and is that something you feel confident in?

And in cases where our unit costs are four or five times that of other partners, I'd ask you to look very closely and carefully to be able to explain why that's the case and whether there are things that we can do differently to bring our cost-per-unit down so that our programs are fundamentally scalable.

Measuring and Learning from Results

A third principle is around measuring and learning from results. You know, this is an agency that has a long track record of doing a lot of great evaluations of programs and projects. I believe over the last decade there have been great advances in different types of methodology, many of which you've created and contributed to, that we could be employing more broadly to make sure as we structure programs we're investing in measuring results, we're doing that very carefully and we're doing that from the outset of programmatic activity.

I have a few comments on this but I know the expertise really resides elsewhere so I'll just share a few observations. One is around baseline data. It strikes me that we don't always do a consistent job of documenting the baseline information, the baseline data, and how that baseline will change over time so that we can talk in a compelling way about the impact of investments that have been made by USAID towards that baseline.

What I'm struck by, is that in order to collect that information and do it in a robust way, costs money. It takes resources to do surveys, to collect information, use SMS text-messaging to find out if a program is working or not working.

Frankly, I would like to see us raise the percentage of resources that we invest into types of strategies that enable measurement, learning and accountability, not because we have to report to Congress – and I know we have to report to Congress – and not because we have to report to anybody else – although those are all important reasons – but because fundamentally, you want to know what works, what doesn't work and how you can work in a way that's most effective.

I've heard that in talking to you; I've seen that in reading reports. There's a hunger for that and we should be able to put resources towards making it happen and, in many cases, use a range of methodologies to do it.

I'll give you an example. There's a study of education outcomes in Pakistan around the private schools in K-9 primary education that was done by an economist at Harvard with others through the Poverty Action Lab. It was the type of program that identified the drivers of educational attainment. How do some of the dogmas of our investments in education correlate with those outcomes? And what are the accuracies and inaccuracies in that relationship? Those things are very, very powerful and I'd like to see USAID produce more of that type of work because we have one of the world's largest experimental platforms for program execution that we can look at, learn from and share the basic understanding of what works and what doesn't work.

Sustainability

The next basic principle I'd like to describe is sustainability. Of course, we've all talked about how we need to do our work in a way that fundamentally puts us out of business over the long run. That's our

passion and commitment. It has worked in some parts of the world and we should take great pride in those cases.

To some extent, sustainability is greatly overused because it means a lot of different things. At the risk of being wrong, I'll share an observation on sustainability, which is that there really are only a few ways projects and programs can sustain. I believe we can be much more disciplined in describing how projects and programs will be sustainable over the long run even at the onset of a program or at the initiation of the contract.

You know, one way a project can sustain is if the problem can just go away permanently. Now, outside of smallpox eradication, there are going to be few examples of that, so we don't have to spend a lot of time on that.

A second way – and this is true for a lot of our work in human services and public services – is that the public sector will maintain a commitment to support the program and provide services over the very long run. We could be more disciplined in articulating what it would take to make that public commitment, get countries and partners to sign on to make those commitments and, in a quantitative way, describe what our expected costs and financial flows might be to maintain sustainability through public systems and through the public sector.

Another way things can sustain are through the private sector, and we have one of the best programmatic activities on building small and medium enterprise and supporting private sector activity in a range of fields. I think we have enough disciplinary expertise to describe in more specific terms why the private sector should pick up a program and sustain it over time. What are the incentives and do they work? You have a better understanding of on-the-ground challenges for business effectiveness and private sector activity and you could write those into program designs earlier and in a clearer way so that others could understand that.

Also, cultural sustainability. I've been very influenced by the Tostan program in Senegal-- I know we have some people from Senegal here -- that's a program that's expanded a bit. That's a situation where they work with villages against female genital mutilation. They did that by building real cultural appreciation for the practice and how leaders could end that practice.

That has a cultural sustainability component. By fundamentally changing the cultural expression of a certain set of values, they've effectively eradicated that practice from hundreds if not thousands of villages and, in a way, that has inspired people around the world to invest in those types of activities and to take the solution set very seriously. I think we can be more disciplined about sustainability and we can use some of these examples to articulate why the programs you're investing in are likely to be sustainable.

Partnerships

Finally, partnerships. We talk a lot about partnerships and people reference partnerships a great deal. I do think that partnering well requires a disciplinary focus on understanding how partnerships work, on understanding why partnerships often fail, what keeps them together. We could be more explicit early in our programmatic design to identify the characteristics of a great partnership and if they exist in this environment or not.

I learned this the hard way at the Gates Foundation, where we had a fair number of resources to bring partners together. It turns out one way to build partnerships is to just give people money and ask them to partner as a condition of that partnership. (Laughter) Also, it turns out that's one way to waste a lot of money.

So really making sure that incentives are aligned; really documenting why the organizational and implementation structures of a project are conceived so that partnerships can stand the test of time and identify who's going to monitor and engage those partners and those activities so those partnerships succeed. I think it will be an important discipline going forward. I think we're well positioned to be the leaders of that discipline. I think, in many cases we already are.

You'll hear a lot about partnerships as we hear about global engagement from the President and from the Secretary's focus on how we should be doing our work. If we become excellent at understanding how to build the practice of partnership in our programs, we will have a leg up for the next several decades in leading the development portfolio of the federal government and I will take that very seriously going forward.

We've had some really interesting examples, like building the text messaging system for the Red Cross to raise funds. They raised \$50 million and we've been in a partnership with them to spend those resources in an effective way. There are millions of examples of partnerships that I think are important that can help inform the work.

These are some principles and I'm sure there will be others that you will discuss. I don't want to be too detailed about identifying the set of priorities. But I will say it's deeply important that we get this right. We can become recognized as the development partner that best understands how to design, develop strategies, develop communication plans, bring those things together and manage our capacity to provide intellectual leadership in the field of development with the practical reality that most programs fail because of implementation failures on the ground.

If we can prove excellent in resolving those challenges, I think we will be a premier development agency. That's the aspiration for me; it's the aspiration for the Secretary and the President and I think it's our job to do that over the course of the next few years.

I'd like to conclude by saying thank you. It is a tremendous honor and privilege to be able to be here to be with you. I respect how important it is for you to be doing this work together on program design but what is really at the core of our overall effort is to build USAID into the most effective, efficient and recognized agency doing development in the world.

Perhaps never before have we had the unique opportunity we have in the next 12 to 18 months to rebuild this agency, to hire talent from around the world and here in Washington; to execute a set of presidential initiatives in health and food in Afghanistan, Pakistan, Haiti – that are immediate priorities for this administration.

We want to do that in a way that makes it clear that our aspiration is to provide intellectual leadership on development, strategic leadership in countries, and effective partnerships with those that need to come together to generate the results we care about. At the end of the day, the outcomes we all want to see is that every child and every family in every country have an opportunity to live up to their God-given potential.

So thank you very much. I appreciate the opportunity to be here. And good luck. (Applause)

“...I will say it's deeply important that we get this right. We can become recognized as the development partner that best understands how to design, develop strategies, develop communication plans, bring those things together and manage our capacity to provide intellectual leadership...”

-Administrator Shah

EXECUTIVE SUMMARIES

EXTERNAL ENVIRONMENT- PLENARY I: INNOVATION

Presenter:

Dr. Maura O'Neill, USAID Chief Innovation Officer (CIO)

SUMMARY:

Dr. Maura O'Neill discussed the new Administrator's desire to promote a culture of innovation at USAID and some ideas being discussed to make it a reality. Dr. O'Neil believes that there are three areas needed to create a culture of innovation at USAID: 1) be voracious learners, absorbing information, accessing the latest technologies and seeking out ideas from the world's smartest people; 2) create a culture that's open and challenging; and, 3) encourage dissent to form new ideas and take risks. She highlighted the importance of science and technology in promoting development impacts, including its correlation to increases in GDP. Highlighting the importance of USAID support in enabling innovation, she showed a YouTube video of a 14 year old boy from Malawi who built an electricity-generating windmill for his family by following the instructions in a book from a USAID funded library (<http://www.youtube.com/watch?v=G8yKFVPOD6o>).

"Think harder, dream bigger and take risks."

Maura O'Neil, USAID
Chief Innovation Officer

Dr. O'Neil briefly discussed some initial ideas and efforts underway to promote innovation within the Agency, including a potential "Failure Summit" to break the fear of failure and underscore the opportunities to learn from mistakes. She also mentioned efforts underway to strengthen the policy and budget functions in a way that will enable greater innovation within the Agency.

At the conclusion of the session, Dr. O'Neil summarized key take away points that she heard from participants:

1. A need for more discretionary funds.
2. More discretionary time is needed for staff to be innovative (either more people or lessen workload).
3. A need for a formal system to vet and share innovative ideas across the Agency.
4. Enable staff to focus on the impacts of their programs rather than on outputs.
5. Make sure unsolicited proposals are encouraged with a quick review and turnaround time
6. Focus on scale—the magnitude of impact.
7. Innovative ideas need time to incubate and develop—budgets must be available for length of project.
8. FSN voice should be heard more loudly.
9. Ensure that decisions are made at the appropriate level/ at the Mission level if possible.
10. A need to improve systems, incentives and leadership to support innovation.

EXTERNAL ENVIRONMENT- PLENARY II: QUADRENNIAL DIPLOMACY AND DEVELOPMENT REVIEW (QDDR) AND PRESIDENTIAL STUDY DIRECTIVE (PSD) 7

Presenters:

Leon S. Waskin, Office of the Chief Operating Officer (COO)
Ambassador James Michel
Thomas Johnson, COO

SUMMARY:

This session provided an overview of the priorities and major directions of the Obama Administration. In particular, the PSD-7 and QDDR are focused on examining how development—as a vital discipline-- can be elevated and better integrated into national security and diplomacy.

PSD-7 authorizes the National Security Advisor, Jim Jones, and Chairman of the National Economic Council, Larry Summers, to lead a “whole of government” review of U.S. global development policy. The group is composed of a core group of approximately 12 agencies which meet regularly to develop the first ever policy on global development.

The goal of the QDDR is to strengthen and integrate development and diplomacy efforts. USAID Administrator Shah and Deputy Secretary Lew co-chair the QDDR task force. Priority issues for the task force include: consolidation of platforms and services, the process of strategic planning and budgeting, human resources, procurement, implementing principles for aid effectiveness, and supporting innovation.

PSD-7, initiated by the President, is a government wide effort designed to develop a broader U.S. global development policy. The QDDR, initiated by the Secretary of State, will strengthen the integration between development and diplomacy.

AID EFFECTIVENESS- USE OF COUNTRY SYSTEMS

Moderator:

Thomas Briggs, COO

Panelists:

Thomas Rishoi, COO/PAC

William Reynolds, M/OAA/GRO

David Ostermeyer, Chief Financial Officer (CFO)

Joan Atherton, ODP/BMD

Raghav Kotval, GC

The Paris Declaration commits USAID to:

- Increase ownership
- Align systems with country-led strategies and use partner systems
- Harmonize aid efforts
- Manage for Development Results
- Establish Mutual Accountability

SUMMARY:

Given recent commitments to aid effectiveness through the Paris Declaration and the Accra Action Agenda, presenters summarized USAID responsibilities, the tools available to meet those responsibilities, support available from OAA and CFO, and the Agency's risk management approach to the use of country systems.

The Obama Administration is committed to increasing the effectiveness of aid. This is a common theme underpinning major initiatives such as PSD-7 and QDDR as well as draft legislation in the House and Senate. More specifically, the Paris Declaration commits USAID to: increasing ownership, aligning systems with country led strategies and using partner systems, harmonizing aid efforts, managing for development results, and establishing mutual accountability. The Accra Agenda for Action reconfirms similar objectives by emphasizing increased country ownership, more effective and inclusive partnerships for development, and achieving development results.

During the 1990's and early 2000s, there was a shift away from host country managed mechanisms toward mechanisms where USAID had more control. This was driven by concerns about accountability, reduced USAID staffing levels (host country mechanisms can be more staff intensive), among other issues. As the Mission moves into implementation, some mechanisms are more supportive of the principles behind aid effectiveness than others. There are over 30 mechanisms available to Missions. These are outlined in the ADS along with corresponding pros and cons.

There are four primary categories of procurement, (with different mechanisms under each one) including direct contracts, host country contracting, local procurement, and grants. The key difference between direct contracts and host country contracts (HCC) is that direct contracts provide USAID and the COTR with maximum control. For HCC, USAID acts as a financier of procurement but uses host country mechanisms. While that work can be monitored, there is much less control. Countries currently using HCC approaches include Bolivia, Jordan, Afghanistan, and Egypt.

The Agency has provided guidance on the use of country procurement systems, entitled "Strengthening and Using Country Systems – Implementing the Paris Declaration (PD) and Accra Agenda for Action (AAA)." There is a requirement for the Mission, regional contracting officer, controller, and legal advisor to assess the contracting agency's procurement system and certify that the system is acceptable.

Under the Accra Agenda, donors agree to use country systems as the first option to support public sector programs. If this is not done, donors will state the rationale for this and periodically review this position.

As USAID moves forward, it is important for managers to be risk managers rather than risk averse. In order to comply with new commitments, it is essential to utilize new approaches and identify ways to improve capacity.

STRATEGIC PLANNING

Moderator:

Leon S. Waskin, COO

Presenter:

Wade Warren, Office of the Director of U.S. Foreign Assistance (F)

Amani Selim, USAID/Egypt

Ambassador James Michel, Counselor to the Administrator

SUMMARY:

This session provided a general update on the status of strategic planning within USAID and summarized key priorities. Presenters outlined current strategic planning policy and guidance, discussed examples of successful mission strategy development and identified next steps in Agency strategy development.

USAID is transitioning to a “whole of government” strategic planning process. The Country Assistance Strategy (CAS) approach was first piloted in 10 Missions in 2006. On one hand, the CAS promoted dialogue across a range of USG actors. However, a number of challenges emerged as well. Other government Agencies (outside of State and USAID) did not necessarily feel bound by the CAS and there was confusion as to where the CAS fit with other key documents, like the Operating Plan or the Mission Strategic Plan.

The U.S. Government Country Development Cooperation Strategy is a new whole-of-government strategic planning model currently under development.

In moving forward, it will be critical for USAID to develop an effective strategic planning process, given the importance and the need to integrate development, diplomacy and defense and the fact that development is inherently a long-term process. The whole of government approach is central to that effort because USAID is one of other USG players involved in development. As a result, USAID is developing a new “whole of government” model that will result in a five year US Government Country Development Cooperation Strategy. Strategy development would be led by an inter-agency panel, led by the Regional Bureau Assistant Administrator, and approved by State. There are currently plans to pilot this new strategic planning model in select countries.

During this period of uncertainty, some Missions have moved forward to develop new strategies. USAID/Egypt experienced significant changes in fundamental planning assumptions and developed a two year “bridge strategy” to reflect these new realities. Since 2004, assistance to Egypt has decreased substantially and the Government of Egypt refused to sign the Strategic Objective Grant Agreements (SOAGs). The new strategy was designed around three main priorities: developing human capacity, strengthening sustainability, and setting a foundation for the next strategy. A number of important lessons were learned from this process, including the following:

- Program office leadership is critical.
- Host country government ownership is essential for developing an effective strategy.
- USAID technical offices have to be fully engaged in the strategic planning process.
- The strategy must be underpinned by rigorous analysis.
- Engagement and approval from USAID/W proved to be a key challenge.

PROJECT DESIGN FOR THE 21ST CENTURY

Moderator:

Grant Morrill, COO

Panelists:

Leon S. Waskin, COO

Grant Morrill, COO

SUMMARY:

Presenters unveiled a new project design process for the Agency. The new approach balances a more rigorous and standardized process with the need to maintain flexibility and design projects quickly. The development of a new project design process has been informed by a comparative analysis of other donor practices, dozens of interviews with USAID staff worldwide, workshops with the project design working group, and feedback from Mission Directors at their recent conference in January. This has resulted in a set of minimum standards that increase rigor, increase implementation flexibility, and do not increase the length of time required to develop projects.

The new approach creates more explicit links to the whole of government (WOG) country strategy, increases collaboration between USAID and host country/implementing partners and seeks to increase the technical involvement of USAID staff in design. It also enables options for expedited project design where needed and appropriate.

In terms of next steps, the team will get approval for new ADS guidance and roll-out an Advanced Project Design course for the Agency. The Advanced Project Design course is envisioned as a multi-week course involving design theory and a field-based practicum.

The New Project Design Process:

- Increases project design rigor
- Increases implementation flexibility
- Does not increase the length of time required to develop projects

EVALUATION, PERFORMANCE, AND KNOWLEDGE MANAGEMENT

Presenters:

Gerry Britan, MPBP/EVAL
Krishna Kumar, COO/PM/SIME
Joe Gueron, CIO/KM

SUMMARY:

Evaluation. USAID is committed to strengthening evaluation in order to:

- Base development programming on empirical knowledge of what works.
- Enable the Agency to be accountable to Congress and the American people.
- Inform resource allocations.
- Better manage for results.
- Meet legislative and executive requirements.

There are a number of issues to be addressed as USAID moves forward. First, there has to be an appropriate balance between learning and accountability. Second, evaluations must be designed appropriately to answer significant program and policy questions. Finally, there has to be clarity on evaluation roles and responsibilities as well as adequate funding, staffing, and training.

A new evaluation policy is currently under development in order to respond to demands from OMB and the Congress to increase the rigor of evaluations, to strengthen the capacity within USAID to conduct evaluations, and to improve capacity within host countries to conduct evaluation. The Agency also needs to shift focus from project evaluations to larger program, country, global, and policy issues.

Performance Reporting and Budgeting. Performance Plans and Reports are collected from Missions and Bureaus at the end of each fiscal year using standard indicators. The purpose of these reports are to strengthen accountability, fulfill Government Performance and Results Act (GPRA) requirements, justify the use of current year appropriations, understand the range and results of USG programs, and communicate with stakeholders about key achievements from foreign assistance.

OMB is interested in how performance is incorporated into the budgeting process. Effective use of performance data has certainly been a key challenge for USAID. Funding decisions are currently more heavily influenced by accounts, earmarks, and initiatives.

Knowledge Management. The Agency has a new set of Development Experience Clearinghouse (DEC) tools that are widely accessible. The DEC collection has grown from 75,000 to 300,000 documents over the last two months. There is currently a new blog, SharePoint, and the Developedia wiki, and websites can be developed. There is also a team of researchers that field staff can draw on, including eleven economists that can conduct research for Missions. The library currently includes e-books and language training (online, Rosetta Stone).

THE BUDGET PROCESS

Presenter:

Wade Warren, Office of the Director of U.S. Foreign Assistance (F)

SUMMARY:

This session provided an overview of the budget process, Mission Strategic Plans, Operational Plans, and FACTS. In addition, to the current operating context, this session explained changes underway in order to streamline systems.

General Budget Facts and Trends: The three D's (diplomacy, defense, and development) are not equal legs of a stool when it comes to funding levels (see PowerPoint slides for specific figures). Funding for development is significantly less in comparison to diplomacy and defense. The Secretary of State has direct control over State and USAID funding (including PEPFAR) and chairs the Millennium Challenge Corporation board. She has coordinating authority over all other 150 account agencies but does not have direct authority over their budgets or programs. State manages many 150 account funds, totaling about half of all foreign assistance. Typically, many countries request more funding in Peace and Security, Governing Justly and Democratically, and Economic Growth and less in Investing in People.

Typically, many countries request more funding in:

- Peace & Security
- Governing Justly and Democratically
- Economic Growth

And less in.....

- Investing in People

Mission Strategic Plans: The F Bureau is working to develop new guidance for the FY 2012 budget build to address concerns that senior leaders had with the FY 2011 budget. Historically, MSP budget justifications have typically focused on the increment to the previous year's budget and have often had "blue sky" expectations. Decision makers were not able to gain much insight into the base budget or determine what programs supported Administration priorities. Additionally, they didn't know how USAID programs would fit with other donor activities. For FY 2012, F will issue new guidance that will likely include: tight budget level controls, an emphasis on analyzing trade-offs and high priorities, require better links between programs and OE/Staffing requirements, and a requirement for separate data for USAID OE staffing. This year's reviews will be scheduled for the spring, rather than the summer and will include more limited participation in order to facilitate more candid conversations.

Operational Plans (OP): In 2007 (the first year), the OP was highly detailed and centralized. This year will be the fourth year of Operational Plans for all USAID missions and for many State posts. The OP is used primarily for ensuring, through allocation tables, that account, earmark, and initiatives controls are met. The OP must include some narrative in order for F to approve the program. It is the only statement of how posts intend to spend their appropriated funds (i.e., the MSP is a request; the OP is the actual appropriation). OP information is used for a number of purposes, including, the CBJ, briefs, speeches, Congressional and public inquiries. In order to improve the OP process, F has limited some narratives and posts are urged to submit correct controls (over half of all OPs are submitted with controls problems).

F is working on the “OP Lite” pilot in order to streamline the process and reduce the workload. There are two different models that will be tested in 10 countries. Both OP Lite models will use control tables and will be evaluated to inform the FY 2011 OP.

FACTS. FACTS is primarily used for data entry for the OP and the PPR, while FACTS Info is a powerful reporting tool that uses FACTS and other data. F is considering whether to merge both systems because FACTS Info is more robust and stable.

INFORMATION TOOLS—BEST PRACTICES FROM THE

Moderator:

Robert Birkenes, DCHA/CMM

Presenters:

Rosa Maria Chavez, USAID/Peru

Karili Melo, USAID/Brazil

Warren Harranty, RDMA Bangkok

Mike Reilly, USAID/Bolivia

Sofia Villalba, USAID/Ecuador

James Sanford, RDMA Bangkok

Greg Swarin, RDMA Bangkok

Soad Saada, USAID/Egypt

John Packer, USAID/Indonesia

Mohammad Haseeb, USAID/Afghanistan

Clay Epperson, USAID/Afghanistan

FIELD

SUMMARY:

This session presented examples of field-designed information tools that meet both mission needs and Washington requirements. The moderator explained that the new Administrator is supportive of technology innovation, performance information and field input and best practices. He highlighted the exciting new tools from the CIO, such as Google Earth (unveiled on desktops last week), Developedia, Drupal software for collaboration, and many other applications. The challenge is consolidating the vast array of tools and making the best ones more user-friendly and useful to missions.

OPS Master, a mission developed tool, has been approved for worldwide roll-out.

OPS Master was presented as an example of a highly successful tool for financial planning and procurement developed in the field (USAID/Peru) and subsequently piloted in numerous missions. It has been so well received, that it has been approved for worldwide roll-out over the next 18 months.

Other tools included, an automated Activity Approval Document application developed by USAID/Egypt, a GIS mapping system to show joint USAID and DoD project activities and financial disbursements at the community level in Afghanistan, a Performance Reporting System from USAID/Uganda which collects all of the PMPs for the partners and the strategic team and a program monitoring tool from USAID/Indonesia that provides project snapshots and links to the F Framework.

ROUNDTABLE WORKING GROUP- PERSPECTIVES FROM THE FIELD

Moderator:

Mark Meassick, USAID/Kenya

Presenters:

Sheila Roquitte, USAID/Nepal
Dean Salpini, USAID/South Africa
Rebecca Robinson, USAID/Uganda
Kenana Amin, USAID/Jordan
Amy Paro, Haiti Task Force
Kevin Smith, USAID/Ethiopia

Shirley Hoffmann, USAID/Iraq
Barbara Dickerson, USAID/Madagascar
Mark Mitchell, USAID/Brazil
Kathryn Stevens, USAID/Jordan
Caryle Cammisa, USAID/Yemen

SUMMARY:

The roundtable working groups were designed to generate ideas, actions and recommendations on issues that are critical for more effective development. A smaller group of 02/94's (comprised of DLIs, FSNs, and mid career FSOs) was asked to define a preliminary set of high priority issues for the Agency to address from a field point of view. These issues were presented out to the plenary for discussion. Once agreement was reached on the issues, working groups were then convened around each issue to identify a set of policy recommendations. These groups were organized around the topics noted in the text box to the right. The policy recommendations that emerged from these groups are included in Annex A and on Program Net.

Roundtable Working Groups:

1. Leadership
2. Strategy
3. State-AID Relationship
4. Partnerships
5. Workforce planning
6. Innovating and streamlining business processes
7. Procurement
8. The role of functional and regional bureaus

THE FUTURE ROLE OF BACKSTOP 02/94

Presenters:

Susan F. Fine, COO

Deborah Kennedy-Iraheta, Director for the Office of Human Resources

SUMMARY:

In this session, the Office of Human Resources discussed key HR initiatives including new hire recruitment, staffing critical post countries (CPC), and talent development. Among the key points were that 1,200 new Foreign Service Officers will be hired to meet the growing demand and attrition rate (81% of Senior FSOs are eligible to retire). Staffing CPCs is a top priority. FSOs should expect to spend at least one year in the next four in a CPC. The agency is also looking at staffing up regional missions to a greater extent so that they can serve as hubs, (similar to the way Bangkok is doing regional training).

In terms of talent management and career development, several initiatives were mentioned. One is a possible career track for FSOs in senior technical positions (e.g. Sr. Ag Economist). A second is the creation of a senior FSN advisory group that could provide short term TDY assistance to Missions. A third initiative is to expand science expertise through exchange/fellowship agreements with universities as well as opportunities for staff to back into academia for 1-2 semesters.

Susan Fine, who serves as the Agency 02/94 Coordinator, spoke about the future of the Program and Project Development Profession. She emphasized that the conference participants are part of a profession, an expertise the Agency needs. In fact, the Agency has made a commitment to doing more in-house project design and evaluation, which means a more prominent role for 02/94s.

There are approximately 400 PO/PDOs including FSOs and FSNs. Some 84% are Project Officers (02) and 16% are Program Development Officers (94). There is an 02/94 Working Group with sub-working groups which have focused on strengthening the profession. Some of the areas they have addressed are DLI Orientation, sharing best practices through the PO toolkit, Program Net and other means, development of an Advanced Project Design course and providing support and guidance in creating this conference.

“Every FSO with medical clearance will have to spend at least 1 year in the next 4 in a CPC.” This has to be planned for.

Debbie Kennedy-Iraheta,
Director, Office of Human
Resources

PROFESSIONAL DEVELOPMENT

Presenters:

Valerie Dickson-Horton, HR/OD

Nancy McKay, HR/FSP

SUMMARY:

Panelists Valerie Dickson-Horton and Nancy McKay provided professional development guidance to participants, emphasizing each person's responsibility for their career development and their critical role in making USAID a premier development agency. USAID is an important component of US Foreign Affairs because it offers a valuable development perspective. It is up to each person within the Agency to demonstrate why. It is critical for everyone to become articulate at explaining the relationship between development and economic and political stability (in other words, connecting the dots). USAID must do a better job at responding with timely and accurate information. The information provided to senior leadership must be well thought out, accurate and consistent.

The Agency is actively engaged in ensuring that individuals are supported during their careers but ultimately, each person must be responsible for their own professional development as well. It is important to find a good mentor, always be prepared, be responsive and take care of yourself.

Principles for ensuring a rich and fulfilling career include the following:

1. Understand that everyone employed by USAID has a role in making sure it is the premier development agency in the world.
2. Believe that we collectively can empower one another to reach beyond cultural, economic and political boundaries to make the world a better place.
3. Take responsibility for the work you produce— accuracy and timeliness are critical.
4. Embrace the highest standards of professionalism, including respect, honesty and integrity.
5. Value contributions of the entire workforce, including FSNs, contractors, junior officers, those planning to retire, drivers, cleaners, assistants, GSO, State & DOD colleagues, members of the inner agency, and GS employees who support you from Washington, etc.
6. Help others maximize their contributions to USAID's Mission. Support your colleagues, don't tear them down.
7. Recognize the strengths and the weaknesses of your colleagues. Play to their strengths. Help them address their weaknesses by being honest and supportive. If you are a supervisor, protect your staff as they learn. You are responsible for creating a safe learning environment for them.
8. Commit that all work products have a quality stamp when you produce them or clear them. Documents should always be well written, based on fact, represent adherence to the law, policies and procedures, and are well thought-out.
9. Be concise, brief, thought provoking and confident.
10. Understand that a strong leader must first acknowledge what they don't know, not be afraid to say so out loud and ask for help.

USAID COMMUNICATIONS ESSENTIALS

Presenter:

Joseph A. Fredericks, Director Public Information & Senior Brand Manager

SUMMARY:

This session provided a broad overview of USAID communications at the mission level, focusing on key issues programs officers should understand while supervising and overseeing communications functions. There is increased support for and renewed focus on communications planning. In recent senate confirmation hearings, there was a consensus that the Agency has to strengthen its ability to tell its own story.

The development, outreach and communications function (DOC) began 6 years ago and is an important function for every Mission. There is a need to fully integrate communication into the Agency's planning and implementation process. To do this effectively, it is essential for DOCs to understand how the Agency and the Missions operate. DOCs also need a specific set of skills to operate effectively, including program management (communications activities are like programs), how to use and prepare performance management plans (PMPs), strategic planning (which is related to developing an effective communications strategy), and budgeting skills. Because USAID's communication activities are funded by program funds, DOCS must have appropriate monitoring and evaluation skills to monitor the program.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION (OSDBU)

Presenter:

Mauricio Vera, Director of the Office of Small and Disadvantaged Business Utilization

SUMMARY:

OSDBU's mission is to provide maximum opportunities for small businesses and minority serving institutions to participate in USAID acquisition and assistance activities. The main objectives are to:

1. Advocate for the Use of SB's and MSI's in USAID Acquisition and Assistance Actions
2. Partner w/ OAA, Bureaus, I/O's, Missions
3. Review/Approve Acquisitions Over \$100K
4. Review all Subcontracting Plans including task orders over \$500K
5. Assist SB's w/ USAID Procurement Process
6. Conduct SB Outreach Activities
7. Conduct Vendor Searches for USAID Staff
8. Oversee SB Liaisons at the Bureaus
9. Partner Externally w/ SBA and Other Agencies

The Monitoring and Evaluation IQC is a set aside for small-businesses. There are efforts underway to implement small-business initiatives at the missions. These efforts will begin with LAC this year, Africa next year, and then Egypt.

CIVILIAN MILITARY RELATIONS

Presenter:

Richard Byess, DCHA/OMA

SUMMARY:

Cooperation and coordination between civilian and military operations is important for a number of reasons. Conflict is a growing element in USAID programming, and better integration strengthens both defense and development programming.

There are important differences in planning approaches between the two organizations. USAID planning uses a bottom up approach more highly based on analysis, is resource constrained, focuses on sustained engagement, is implemented by partners, and the principle locus is in country. In contrast, military planning is top-down and based on the commander's intent, not resource constrained, mission oriented, implemented by US and allied military personnel, and the principle locus for planning is the combatant command.

There are a number of ways to strengthen civilian military cooperation at the Mission level, including:

- Establishing a civilian-military coordination unit
- Invite military counterparts to participate in portfolio reviews
- Attend TSCP meetings
- Seek funding (I207, OHDACA, CERP)
- Undertake a joint conflict assessment
- Talk to the RDMO about joint disaster preparedness activities
- Invite the military to participate in program development activities

It will be important to continue to position USAID as a robust participant in the interagency process as a leader in relief and development. In order to do this, further agency training on civilian military coordination is needed.

CLOSING REMARKS BY ALONZO FULGHAM

MR. ALONZO L. FULGHAM: Thank you for coming and participating in this conference. The blizzard conditions have made it challenging and you've made the most of a difficult situation. The question is: what difference are you going to make? In Washington, in the mission, in your country?

Today, there are indications that global opinion towards the US has turned sharply upward. There is a shift to focus on influence instead of using power—it's about leading by example. There is a clear recognition that sound development policy is inseparable from foreign policy. Generals are making the argument for the first time ever for the use of soft power. They want to give AID more money. On the Hill, we have advocates for a strong and independent USAID. There has never been a better time to be at AID than right now.

I fought for this conference because you are the future of the agency. Without design and planning there is no future. Administrator Shah has the energy and the ability to get us to where we need to be as an agency. We have a place at the table. The NSC is the policy making body of the country and we have never been more present at the table. They want to understand how we operate and how we can use soft power to obtain our objectives.

Conducting this conference, the first in over 20 years, is significant and indicative of how things are changing. What development means to US Government stakeholders has changed. After 9/11 development has been reframed as a national security imperative. It necessitates a new ability to connect the dots between short term outputs and long term impacts. It requires that USAID proactively engage in the inter-agency process and assert its leadership on development issues - with greater savvy and political acumen to demonstrate that "we get it" and understand the links between defense-diplomacy, and development and how these need to be configured in particular circumstances.

“Our cause is worthwhile, your voices for change are essential to enrich our understanding of what needs to be done, and your commitment to this Agency is what will make us successful.”

It's a different way of doing business - we have to be deal makers, partnership builders and systems thinkers about how things need to fit together. It also requires that you remain humble and listen to what others know. Now we're working more robustly in high threat environments, working more closely with DoD, focusing on stabilization and creating the basic building blocks that would eventually lead to development. It's a totally different animal and we need to be able to adapt our skills and abilities to be effective inter-agency players.

The current context in Washington presents great opportunities for us as an Agency, if we understand what we need to do. USAID has support from key USG stakeholders to play a leading and essential role in US foreign policy. Congress has a renewed interest in our success. This administration understands the importance of a strong USAID. I know that a comment came about a senior development advisor. He is a talented gentleman, but the design, planning and implementation depends on you.

USAID capacities and what we do are recognized for its unique contribution to US foreign policy despite what our colleagues say. We're not going to go away. We're not the same as we were 20 years ago either. And we won't be the same in 20 years.

“Exercising leadership doesn't necessarily require formal authorities and mandates. It does requirequality products, sound thinking, good judgment and hard work.”

-Alonzo Fulgham

We're hiring at a fast clip. There are 55 DLIs here. There are 90 FSNs attending this conference - a recognition of your important role in USAID's success. To be honest, I would not be here today if the FSNs that I served with had not been instrumental in the countries and programs that I have worked in. FSNs represent more than 60 percent of the Program/PDO professionals here.

All of these changes create uncertainty and we need to make sure we have effective communication to find solutions to manage these changes. Exercising leadership doesn't necessarily require formal authorities and mandates. It does require some of the important things Valerie mentioned yesterday: quality products, sound thinking, good judgment and hard work. These are all skills that program officers like you excel at. But it's a quality issue. We have so many priorities. But we have to make sure that whatever we send in, meets the highest quality standards that USAID should represent.

There are multiple opportunities at post to provide leadership - with technical offices in mentoring them on USAID procedures; with State colleagues on understanding unintended consequences of short-term actions without a long-term view. You've got to create a relationship with state colleagues, with the ECON and POL officers with the first tour officers. We need to educate them. We don't win them all the time, but we're getting there and we need to educate them. We need to show them the pitfalls and not talk at them. We need to work on this. The bottom line is that the relationship will only get better if we make it better.

Every one of you here today is a leader and represent the Agency in many places with a wide range of stakeholders. That means our NGO partners and everyone we work with. We understand that the Agency needs to make radical improvements in systems and processes to help you become more effective leaders. We're working on it. The input you have provided during this conference will help us. I mean that and I put Wade on the spot because I wanted you to understand that what you said will not go into a black hole. You will be heard. Our transition as an agency is happening now. Your job is to find ways to make things work and to put them into action. I'm hoping that you will follow up on these issues to make sure that the transition will help you in the field to do what you need to do.

We need to do more to create a better enabling environment for you to be successful. We're working on it. We understand the need to have our own capacity to analyze budget and link budget to strategy. We're focused on program, PDO professional development and understand its importance to our success as an Agency. We know we need to expand our capacity for more effective human resource development. When I came into the agency, we had career advisors. We need to do a better job of transitions and getting people on board in the agency. We know we need to streamline business processes. We know we need more and better incentives to spur innovation and creativity. None of these tasks are easy; we need the talents of the entire agency, your talents to deliver them.

What's next from this event and how can we better support you? I think that there are a couple things. We need to go back to your missions and continue to move suggestions forward. As we stand up the new policy unit, we need your help to ensure that it reflects your needs.

Lastly, I like the idea of forming some kind of Program Officer mechanism, maybe a Task Force, to help us in Washington keep our focus on the important recommendations you have generated. Many of them are already on the agenda, but finding a creative way to engage the field and empower your participation is a good one. Let's nurture the development of our network to stay continually connected and engaged. The responsibility is on you to make this a success. Perseverance and technical ability will make this happen.

Again, I want to thank you all for coming from all corners of the world to be here despite the weather. Our cause is worthwhile, your voices for change are essential to enrich our understanding of what needs to be done, and your commitment to this Agency is what will make us successful.

THANK YOU.

ANNEX I

2010 WORLDWIDE PROGRAM AND PROJECT DEVELOPMENT OFFICERS CONFERENCE

FEBRUARY 7-12, 2009, NATIONAL CONFERENCE CENTER, VIRGINIA

RECOMMENDATIONS FROM THE FIELD TO THE ADMINISTRATOR

This document contains eight policy statements developed by 238 USAID program and project development (PPD) professionals from around the world to support change the Agency needs in order to carry out its development mission. Participants identified topics through deliberations on the key gaps that need to be addressed to transform USAID into the premier development agency in the world. Through roundtable discussions during the conference, PPD professionals developed priorities and recommendations for each policy statement. The eight policy statements include:

1. Leadership for effective development
2. Strategy for effective development
3. State-AID relationship for effective development
4. Partnerships for effective development
5. Workforce development for effective development
6. Innovating and streamlining business processes for effective development
7. Procurement for effective development
8. Role of functional and regional bureaus and platforms for effective development

Due to a severe blizzard, these policy statements present a unique field perspective as few Washington staff attended these sessions. The recommendations are intended to be actionable and practical. They give due consideration to the current context of USAID as the Obama Administration deliberates the priorities of development and its relationship with defense and diplomacy through the Quadrennial Diplomacy and Development Review and the Presidential Security Directive-7.

Two central themes emerged from these discussions. There was convergence in the importance of enhancing the strategic vision of development and strengthening USAID's own capacity for strategic thinking. USAID provides vital leadership within the U.S. Government inter-agency domain on development issues and must expand its analytical capacity to do so more effectively. Second, significant change is needed in corporate policies and their operational applications for USAID programs to become more effective. Wide ranging innovations and changes are needed to transform corporate operations to focus on the core business of development and unleash the creative potential of USAID's highly committed professional staff.

These recommendations are a beginning. The conference provided an important space for dialogue, participation, and convergence of initial ideas. The policy statements are provided as input into the development of a robust corporate change management process. Participants from the field aspire to have greater engagement and participation in shaping the details of what needs to change and how transformation needs to happen both in Washington and the field. Development in the 21st century, post-Cold War, post 9/11, demands a new paradigm with wide ranging implications for how we think and what we do. USAID Program and Project Development professionals welcome the opportunity to

provide leadership, direction and practical solutions to find better ways of transforming the lives of billions of people throughout the world. Development has the potential to link America's moral character, the world's universal values, and hope for a more secure and prosperous world. For the participants at this conference, nothing could be more important and we are ready to roll up our sleeves.

I. Leadership for Effective Development

Challenge: Regain USAID's stature as the USG's preeminent development agency.

Priorities and Recommendations:

Priority 1: USAID's leadership drives USG international development assistance.

Recommendation: Appoint and utilize development leaders who exercise USAID's comparative advantage in the interagency arena in order to represent USAID's priorities at the foreign policy table, help clarify institutional roles, and streamline processes.

1. Vest the authority of the Director of Foreign Assistance in the USAID Administrator.
2. Appoint seasoned development professionals with USG experience (at least some with USAID experience) to key Agency positions (particularly AAs & DAAs).
3. Look within the Agency for expertise and advice from foreign service officers and foreign service nationals by bringing field-based people to Washington for short-term task forces that inform the Administrator's action agenda.

Priority 2: Field leadership (Mission Directors (MDs) and Deputies) addresses mission creep of other USG agencies involvement in development in order to reclaim our roles as the appropriate coordinator for foreign assistance, key development advisor to the Ambassador, and the recognized technical experts in development fields.

Recommendation: Expand surge capacity to mentor and train D/MDs as development leaders and coordinators of foreign assistance, accountable directly to Washington.

1. Require "Boot camp" for new MDs and DMDs - Mandatory training in USAID management processes and program functions.
2. Align incentives of USAID MDs: the MD's evaluation should come from within USAID (Washington) and not the Ambassador and be held accountable for sound development programs.

Priority 3: Consolidation of USAID's core program, strategy, budget functions.

Recommendation: Establish a new bureau (USAID/PPC successor) fully consolidating the following functions: policy, strategy, budget (program and OE), monitoring and evaluation, a think tank (to identify, generate, and rollout development innovations), and interagency and external coordination and communication. Restore F's original mandate as the coordinator of foreign assistance across USG agencies, focusing on information management.

Priority 4: Professionalize the craft of Program and Project Development Officers (PPDOs).

Recommendation: Build interim unit (in COO staffed by FSOs, FSNs, GS, and retirees) that focuses on strengthening the PPDO profession that will later be incorporated into the new bureau (PPC successor) of the Agency.

1. Unit will need the requisite authority, mandate, and budget to carry out this function.
2. HR must provide appropriate career development officers (CDOs) to ensure appropriate job placement of PPDOS.

Risks of Inaction: USG development programs will remain fragmented and will not be effective in carrying out our foreign policy objectives around the world because a multitude of agencies “reinvent the wheel” by making the same mistakes from which USAID has learned over the over the past 50 years; and USG systems, processes, or reforms are adopted that may not be suitable to the realities on the ground.

2. Strategy for Effective Development

Challenge: Gain leadership authority to lead strategy and budget planning that will allow development to fully contribute to foreign policy objectives.

Priorities and Recommendations:

Priority 1: Improve authorities for USAID to lead development efforts.

Recommendations:

1. Put a current, senior career FSO in charge of revising Country Development Cooperation Strategy
2. Use CAS after action reviews and get field input to inform the new WOG strategy
3. Vest development strategy decision making authority in USAID Mission Director

Priority 2: Align the budget with strategy

Recommendations:

1. Administrator has a central role in budget decision making process
2. Administrator presents the development budget to the Secretary of State
3. Vest authority in the USAID regional bureaus to allocate earmarks according to strategy and need
4. Utilize performance-based management
5. Establish multi-year commitments (5-Year) to regain reputation as a responsible and dependable development partner
6. Engage directly with OMB and NSC on the development budget

Priority 3: Focus and rationalize multiple strategies

Recommendations:

1. Base strategies on convergence of USG interests, host country strategy/needs and USG capacity ("strategic fit")
2. Decentralize strategy development to the field level in order to respond to Host Country needs
3. Take into account the strategies of other development partners

Priority 4: Strategies must be empirically grounded

Recommendations:

1. Mandate the utilization of empirical evidence and analysis in strategic development
2. Tie budgets to performance
3. Formalize the link between evaluation, budgeting and research in strategy development

Risks of Inaction:

1. Programs without development impact
2. Damaged diplomatic relations
3. Lack of country ownership of development
4. Inefficient interventions

3. State-AID Relationship for Effective Development

Challenge: The State – AID relationship is not well defined. Clarity about respective roles and responsibilities is insufficient to create an effective interface between diplomacy and development.

Priorities and Recommendations:

Priority 1: Lack of a common understanding about respective definitions of diplomacy and development contributes to the lack of clarity about roles and responsibilities.

There are significant cultural differences between USAID and State, and a strong perception among USAID officers that USAID's role is diminishing. State offices are taking on roles in project/program development and implementation for which they lack expertise and experience. Effective inter-agency collaboration with appropriate recognition of USAID core competencies is essential for meeting complex economic and foreign policy challenges facing the US. Greater clarity is needed to determine how diplomacy and development link together.

Recommendations

- Officers at State and USAID should receive cross training to understand and appreciate respective roles and functions.
- Relationships among the USG agencies – State, USAID, DOD – should be better defined and clarified.
- The Secretary of State should instruct the Chief of Mission to designate the USAID Mission Director as coordinator for all USG development assistance.
- Re-establish a strong program planning and policy function with in-house think-tank capabilities.
- Reinforce USAID's potential to participate effectively in interagency dialogue by quickly filling leadership positions in technical and geographic bureaus in Washington.

Risks: Continued ambiguity contributes toward lowering morale. Field staff devotes energies to turf battles which between Embassy and USAID rather than managing assistance programs in productive collaboration with State colleagues.

Priority 2: There are still significant operational problems in the field under an ICASS structure in which State is often the primary service provider.

Compared to State management officers, USAID Executive Officers are often more effective at managing services in developing country contexts.

Recommendation: Re-examine consolidation of services and the assumption that consolidation of services will lower costs. USAID often has a comparative advantage in providing certain services at lower cost and more effectively with greater customer satisfaction.

Risk: Potential for ICASS costs to continue rising due to an inappropriate business model of service delivery.

Examples of Best Practices in State-AID relations at several posts:

- USAID designated as task manager on all assistance planning
- Weekly sectoral meetings chaired by AMB/DCM where USAID expertise is respected
- Establish good personal relationships
- Participating in cable reporting (reading, reviewing, writing, clearing)
- Joint technical meetings/site visits
- Foreign assistance coordinating team where USAID serves as secretariat
- Organize roles around concrete country strategies with participation from various USG agencies are based on respective comparative advantage.

4. Partnerships for Effective Development

Challenge: The Accra Agenda for Action requires signatories to utilize partnerships as effective aid mechanisms. Partnerships offer USAID a dynamic tool to leverage the strengths and resources of others and provide more effective development assistance. In recent years the Agency has put heavy emphasis on leveraging private sector resources through GDAs. USAID's Global Development Alliance program was established to improve corporate capacity to leverage resources through partnership. However, partnership arrangements include not only public-private entities, but also the USG interagency, host governments, donor countries, NGOs, and other non-traditional partners. How to expand corporate capacity to lead partnership development, revise current systems (policies, regulations and internal corporate incentives), and improve staffing (with appropriate skills) to increase their use and facilitate their administration will require significant changes in how USAID does business.

Priorities and Recommendations:

The following recommendations are offered to promote the use of partnerships:

Priority 1: Improve and disseminate wider Agency understanding of partnership arrangements.

Recommendation: Define the goal of partnership and set clear expectations. This needs to include a strategic direction, adequate monitoring and evaluation, and benchmarks in order to achieve the desired impact.

Priority 2: Develop Agency level guidance and resources on partnership development.

Recommendation: Define the range of potential partnerships. The definition should be broad enough to include the various types of partnerships (public private, host country, donor, NGO, local communities, other stakeholders, etc.).

Priority 3: Create an enabling environment to encourage partnerships.

Recommendations:

1. Generate/modify clear policies and adequate regulations to encourage partnerships.
2. Develop effective communications between DC-field to better align DC decision making with field realities to maximize the effectiveness of partnerships.
3. Foster attitudes and incorporate systems flexibility that encourage partnerships and promote calculated risk taking.

Priority 4: Provide adequate staffing with the right skills/incentives.

Recommendations: Partnerships are labor intensive and require sufficient staffing numbers with knowledge and appropriate skill sets. Roles and responsibilities need to be clearly defined. Performance criteria need to be established. And, internal systems need to be created to promote partnerships (include in all backstop position descriptions and personnel performance criteria.

Risks of Inaction

Failure to implement the above recommendations may result in the following risks:

- Inability to meet Paris Declaration and Accra Agenda for Action commitments
- Program duplication
- Missed opportunities to maximize aid effectiveness and sustained development.

5. Workforce Development for Effective Development

Challenge: Working Group participants (DLIs, PSCs, FSNs, mid-levels, and TCNs) identified the need to adopt a more integrated approach to 02/94 career development that unites all categories of staff to more effectively fulfill Program Office functions and promote effective development. Participants stated that they perceived this lack of integration in: 1) the need for a more clearly defined Mission Program Office structure centered on clear roles and job descriptions, linked to career development paths, with particular focus on more effectively integrating DLIs into Mission program offices and in meeting their continued career development needs. At present, many senior FSNs report they are tasked without clear objectives to develop DLI professional skills in addition to performing their “regular” jobs; 2) unfulfilled plans to leverage senior FSN experience by deploying an FSN “consultant force” vs. providing one-off TDY opportunities to such staff; 3) addressing FSN position classification, compensation, and benefits issues that are making hiring and retention challenging in multiple countries; and 4) a perceived lack of transparency, clarity, consistency, and attention to family issues and long-term assignment planning for CPCs and other Missions affected by staffing demands arising from CPCs.

Priorities and Recommendations:

Priority 1: Defining roles and effectively integrating DLIs

Recommendations: Policy and training programs should more clearly define roles within a Program Office, outline more defined career paths for all categories of staff, center on skills matrices, and training programs to include O2/94 certification should be offered broadly to all staff, not just DLIs. Clearer policy and career mapping support for all categories of staff – not just DLIs – would be useful in ensuring that Program Offices can effectively incorporate DLIs into their staffing patterns, develop DLIs as PPDO professionals, ensure that FSNs are provided with increased opportunities for career development, and help develop skills in mid-level officers who will move into leadership positions. This could also serve as a clearing house of best practices across missions and what can be scaled up and adopted agency-wide. Possible best practice models: Zambia and Panama report success in integrating DLIs within effective Program Office teams. The group also pointed to World Bank and UN as possible models for FSN career mapping.

Priority 2: Better leveraging of senior FSN experience

Recommendations: Operationalize plans to deploy seasoned FSNs within the Senior Executive Corps as a consulting force and look at increasing incentives for FSNs to participate in this program and for their home missions to permit them to do so. Senior FSNs also need to be vested with increased authority within their offices to enable them to function effectively as leaders – FSNs report inconsistencies in what they are told they can and cannot do in different Mission settings. An increase in dedicated HR career development officers working on FSN issues is necessary if management is to make true on its statement that FSNs are the backbone of the Agency. Possible best practice models: LAC FSNs (from Brazil, Paraguay, Ecuador, and Peru) deployed to assist with OPS Master rollout.

Priority 3: Improve FSN compensation and benefits

Recommendations: Draw on best practices (Uganda re increased compensation for USAID FSNs, Egypt re IT staff) in increasing FSN compensation and improving benefits practices to meet market demands. Look at World Bank and UN as possible models for harmonizing global benefits. Address differences in State-USAID practices that sometimes mean that USAID FSNs, typically more senior-level as a group than their State colleagues, are not disadvantaged when these questions arise at Missions. Also address the impact of the consolidation and merger with State and the impact of this on FSN careers. Reforming the “CAJE” system to ensure greater consistency in FSN position classification with attention to ensuring senior-level FSN positions are classified as such consistently across Missions was also cited as critical. The dedicated HR backstopping referenced above – merged with budget resources – would help USAID to examine such questions centrally and generate supportive policies and best practices that Missions could apply.

Priority 4: Balance critical priority country placements with other agency needs

Recommendations: Participants expressed a need for clearer policies, career development support, reform in the assignments process, increased and more family-friendly policies and benefits for USAID staff serving in CPCs to harmonize USAID’s policies with other agencies. A longer-term assignment planning horizon (2-4 years) was suggested. Making CPC assignments more family-friendly by domiciling families closer to CPCs would also be welcome.

Risks of Inaction

- A lack of better-defined Program Office structure, roles, and career mapping will lead to less effective Agency leadership in all critical areas that 2/94s lead – strategy, budget, coordination, program development, and outreach. Unsuccessful DLI integration and career development means future Agency leadership will be ill-prepared.

- Inadequate attention to improving FSN job classification, compensation, benefits, and career development challenges also inhibits our effectiveness by reducing morale and decreasing our ability to hire and retain key staff in Missions across the world.
- Failure to address CPC assignments and benefits issues, as well as pressures on other Missions arising from staff losses to CPCs, will lead to reduced morale, retention problems, and will ultimately compromise our effectiveness not only in CPCs but in other Missions.
- Inability to secure sufficient budget to staff up HR and a new PPC to lead strategic workforce development threaten USAID's global effectiveness.

6. Innovating and Streamlining Business Processes for Effective Development

The Challenge: Opaque, redundant, and increased budget planning and reporting tasks have left Missions with little time for innovative thinking and carrying out core business, including program design, management, and evaluation. The current budgeting process needs to be much more strategic and should unleash, rather than stifle, innovation.

Priorities and Recommendations:

Priority 1: Ensure that Missions have sufficient time for carrying out core programming priorities and innovative thinking.

Recommendations:

1. Work Smarter – Consolidate and significantly decrease the scope of the Operational Plan, PEPFAR Country Operational Plan, Malaria Operational Plan, Mission Strategic Plan, and Senior Reviews.
2. Have only one major reporting season (e.g., combine the Operational Plan and the Performance Plan and Report) and one minor, streamlined budgeting season to plan out-year budgets.
3. Reporting and planning systems must be useful for both Washington and Missions.

Priority 2: Increase flexibility in programming and reprogramming of non-earmarked funds so that Missions can quickly adapt to contextual changes. Make the budget process more strategic and avoid unproductive micromanagement of low level budget decisions.

Recommendations: Washington sets country levels and earmarks. Missions allocate funds at the Objective and Area levels. Reprogramming decisions at the area level should be made in Missions and only reported to Washington.

Priority 3: Replace Ad-hoc information management systems with Agency-wide systems that allow for continuity while maintaining flexibility to adapt the system for specific country needs.

Recommendations: The COO should identify needs and deliver the most critical systems to Program Offices world-wide.

Priority 4: Improve Washington-Field communication to enhance strategic decision-making, facilitate forward planning, and reduce workload.

Recommendations:

1. F should be required to share budget information as soon as it is available.
2. Washington should use the information already available in FACTS Info to reduce repetitive taskers.
3. F should communicate simultaneously with AID Missions/Bureaus and State DCMs/Bureaus, rather than just through State budget staff or DCMs. This marginalizes all USAID staff, overly empowers State to make budget decisions for USAID, and sometimes leads to inconsistency and redundancy in tasking.

Risks of Inaction: USG bureaucratic processes continue to overtake core business. USAID programs continue to suffer from insufficient planning, oversight, and learning. Missions will lack the ability to innovate and respond to strategic priorities. The Agency will struggle to successfully carry out new Presidential Initiatives and other priorities.

7. Procurement for Effective Development

The Challenge: New policy directions discouraging outsourcing and promoting host country contracting (as part of aid effectiveness) call for a transition process that would reposition Agency assets, develop new competencies, deploy and train staff at various levels and evidence-based analysis to balance resources.

Priorities & Recommendations:

1. USAID should increasingly IN-source expertise and procurements, particularly in: strategic planning, project development, monitoring and evaluation and analysis.

- Examine work distribution, staffing categories and levels to determine existing in-house strengths, expertise and leadership (as well as gaps and ways to remedy them). This could lead to the development of a roster of in-house expertise that could be more broadly relied upon across the Agency.
- In order to do so there must be a corresponding uptick in OE resources.
- At the same time, discrete areas where outsourcing is most appropriate or necessary will remain.

2. In implementing the Aid Effectiveness Agency, USAID needs to increase Host Country Procurements.

- Conduct an assessment of previous and existing experience working with host country procurement systems, including: historic lessons learned, examples and models, and available tools for assessment, audit and capacity-building.
- Develop policy and guidelines for USAID missions - relying upon inputs from GC, FM, PROC & Program Officers - including requirements, parameters and tools that will enable missions to develop realistic plans to move toward greater reliance on host country systems over time.
- Provide staff training in the tools and approaches for successful host country procurements.

3. USAID needs to streamline and innovate its Procurement Systems.

- Identify duplications in standards and requirements when USAID is working with other donors, host country governments and the private sector, and eliminate redundancies whenever possible.

- Examine procurement innovations of GDA to identify potential points of flexibility that could be applied to other procurements.
- Seek greater discretionary funding to allow for the possibility of funding unsolicited applications; increased usage of Annual Program Statements. These can allow for the entrance of new ideas and innovations from external sources.
- Align USAID procurement systems and improve consistency with other USG. Is USAID being held to a different standard and then criticized for being slow and inflexible?
- Conduct a cost-benefit analysis of USAID's procurement practices.
- Recruit and continue to train a sufficient cadre of expert procurement officers.

8. The Role of Functional & Regional Bureaus & Platforms for Effective Development

The Challenge: Answering the call for USAID to have a more direct role in design, implementation, managing for results and learning lessons of its development programs requires functional and regional bureaus to increase engagement with bilateral Missions implementing these programs. The new whole of government approach has interagency groups making key decisions regarding development programs, budgets and new initiatives, often with minimal field engagement that necessitates USAID/Washington advocating for the field.

Priorities and Recommendations:

Priority 1: New & improved services for critical areas not covered.

Recommendations: Increase the amount of knowledgeable Bureau staff to provide services to USAID missions, in particular, to conduct evaluations, help develop and draft strategies and program designs, and assist with documents required by new initiatives.

Priority 2: Stronger advocacy to manage State and Hill relationships, and interagency process.

Recommendations: Confident representation for USAID Missions and pushback to State and Congress on inflexibility of earmarks and initiatives, budget and programming.

1. Better articulate and defend field programs against micromanagement by Washington through budget allocations or earmarking, and give Missions authority to determine allocations of the accounts (DA, GHCS, etc.) in the different Objectives, Program Areas and Program Elements.
2. Establish clearer communication protocols between the field and Washington, articulating required clearances, communication flows and guidance.

Priority 3: Better work planning to improve the quality of products and reduce “due OOB.”

Recommendations: Better forward planning and use of available information.

Develop a forward planning calendar with F, OMB and State to plan in advance for tasks that come up every year (example: the CBJ, planned testimonies to OMB or the Hill).

Utilize available information (e.g., FACTS, the DEC) to draft taskers in the Bureau and then seek Mission clearance.

Priority 4: Revise the structure of corporate bureaus and their relations to Missions.

Recommendations:

1. Clarify who does what and who should do what.
2. Use cost-benefit analysis to determine where different responsibilities should be located – individual USAID Mission, regional Missions, or USAID/Washington.
3. Increase staffing and enable Washington staff (e.g. desk officers) to remain in positions for longer periods of time.
4. Establish a “one-stop shop” for Washington Bureaus through a website listing services, scheduling for services and contacts in different areas of need or interest.

Risks of Inaction: USAID will be open to increased risks and vulnerabilities, and less able to plan programs responsibly. Budgets will increasingly be allocated to inappropriate earmarks and Program Elements that do not fit field programming and procurement needs, and grants and contracts will increasingly end abruptly and early. Host country governments, other donors and NGOs will become more dissatisfied with the way the USG does business and is unable to live up to its pledges and agreements. Programs will become more disconnected from USG foreign policy priorities.