

Appendix C

USAID Principles for Reconstruction and Development

The development community and the military community will continue to move towards closer and increased collaboration. It is critically important that the military and development communities achieve a better understanding of each other's comparative advantages and collaborate accordingly...while the military is the best instrument to enter a conflict environment and provide an immediate stabilizing force; civilian agencies are better equipped to oversee actual reconstruction and development work.

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BACKGROUND

C-1. The tragic events of 11 September 2001 ushered in a new development and security paradigm; the implications have been far-reaching, extending through all branches of the United States Government (USG). This new paradigm suggests that complex emergencies and fragile states will increasingly impact U.S. national security interests. The United States must engage failed states while understanding the potential correlation between fragile states and terrorist-induced instability. Effective engagement will increasingly require the use of the tools of diplomacy, development, and defense in a collaborative fashion. The success of U.S. military strategy and development assistance policy in these countries have become mutually reinforcing. Development cannot effectively occur without the security that armed force provides, and security will not be sustained until local populaces see the promise of development as a viable alternative to violence to meet their needs. While involved in reconstruction activities in Iraq and Afghanistan, the U.S. military has been called upon to manage substantially increased levels of U.S. bilateral foreign assistance. This assistance included official development assistance funding traditionally managed by the United States Agency for International Development (USAID). To use these resources effectively, commanders involved in stabilization and reconstruction activities need to understand and apply basic reconstruction and development principles. Such principles have evolved by the development community through years of experience.

PRINCIPLES OF RECONSTRUCTION AND DEVELOPMENT

C-2. USAID and the development community assist fragile states with finding solutions and resources to meet their requirements for sustained development and growth. To accomplish this, the development community relies on specific operating principles for stabilization, reconstruction, and development assistance. The principles have been tested through years of practical application and understanding the cultural and socioeconomic influences in the host nation. Understanding these generally accepted principles enables those involved in development, and in the development aspects of stabilization and reconstruction, to incorporate techniques and procedures effectively. Then those involved can help countries improve the economic and social conditions of their people. The USAID principles for reconstruction and development are ownership, capacity building, sustainability, selectivity, assessment, results, partnership, flexibility, and accountability.

C-3. Development officials improve the likelihood of success by applying the principles of reconstruction and development. Timely and adequate emphasis on these principles increases the opportunity for immediate success or, at a minimum, provides a means to adapt to the changing conditions. Development assistance officials assume risk in their programs when these principles are violated or ignored.

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OWNERSHIP

C-4. The principle of ownership creates conditions of success by building on the leadership, participation, and commitment of the host nation and its people. Ownership implies relying on the host nation to establish and drive the development priorities. The host nation leads this unified effort with support from external donor organizations. Ownership begins with and is focused on the people. It is founded on community involvement. This is fundamental to success, since the host-nation government may not exist or may lack the legitimacy to assume full ownership for peaceful governing processes.

C-5. Donor organizations support and assist the reconstruction and development process as partners working with the host nation toward common objectives. The local populace should view development as belonging to them and not the donor community. Reconstruction and development projects and initiatives should first address the needs of the country, its communities, and its populace. The presence of outside assistance agencies can help build credibility, trust, and consensus in the local populace. Building host-nation or community ownership is a delicate and time-consuming process. It often requires a long-term commitment of personnel and resources.

C-6. When ownership exists and a community invests itself in a project, citizens will defend, maintain, and expand the project after donor organizations have left. Citizens will abandon what donor organizations leave behind if they perceive that the project fails to meet their needs or does not belong to them. The development community achieves positive results when it patiently engages national and local leaders in their own development rather than trying to impose development quickly and autocratically from the outside.

Ownership

U.S. policy in Afghanistan embodies the principle of ownership and focuses on encouraging Afghans to take government leadership positions. The selection of Hamid Karzai as President of Afghanistan is a good illustration. In December 2001, the four major Afghan factions met in Bonn, Germany, to select an interim leader. They subsequently chose Karzai to head the Afghan Transitional Authority. The significance of this model is that Karzai and his ministers are all Afghan-born. Karzai has additionally strived for ethnic balance; the interim cabinet comprehensively represented all the various political groups in Afghanistan, from Mujahidin and Northern Alliance factions to European and American members of the Afghan Diaspora.

C-7. It is important to have a national lead the country and to have nationals head the ministries for several reasons. Such leaders can—

- Foster national legitimacy.
- Eliminate language barriers.
- Develop ownership and responsibility for governance decisions.
- Understand and better navigate the national political landscape.
- Maximize national support of government policy.

CAPACITY BUILDING

C-8. The principle of capacity building involves the transfer of technical knowledge and skills to the local populace and institutions. Capacity building aims to strengthen national and local institutions, transfer technical skills, and promote effective policies and programs. Once met, these goals enable a long-term host-nation capacity to establish policies and provide competent sustained public services.

C-9. An important by-product of capacity building is that the country increases its ability to retain, absorb, and facilitate economic investment. The investments can come from donor assistance or from private sources of foreign direct investment. Ultimately, an improved governance and investment environment is a necessary condition for sustained economic growth in any country.

C-10. The development community recognizes that the right government policies underscore all successful development efforts. Simply put, a country with weak governance institutions and misguided policies will have a limited ability to lead its own economic and social development. For example, it is not enough to build universities and educate a country's population. This effort must be accompanied by direct opportunities that will allow university graduates to become future political and business leaders.

Capacity Building

In Afghanistan, USAID built individual teacher capacity using programs such as the radio-based teacher training program. This program targets teachers who reside in remote areas of the country. As of June 2005, some 65,000 teachers have been trained through broadcasts that strengthen their teaching skills and spread civic and educational messages. About 7,500 more teachers have been trained through face-to-face instruction, and 6,800 more were taught in an accelerated training program. As more teachers have been trained, more children have returned to school: Primary school enrollment increased from a prewar total of one million (2001) to 4.8 million by December 2004.

SUSTAINABILITY

C-11. Development assistance agencies design programs with an impact that endures beyond the end of the project. The sustainability principle encompasses two premises: a nation's resources are finite, and development should ensure a balance among economic development, social development, and democracy and governance. The sustainability principle compels aid managers to consider whether the technology, institution, or service they are introducing will have a lasting effect on a society. In some cases, managers may pursue programs without long-term sustainability to establish stability. Nevertheless, program implementation affects potential long-term implications of the assistance. When implementing the program, commanders ultimately strive for attaining long-term sustainability, even when circumstances dictate short-term solutions to immediate conditions.

C-12. Sustainability is applicable in the military context. The military balances the need to execute immediate mission requirements quickly and the subsequent withdrawal of intervening forces with the obligation to develop sustainable host-nation security forces. These forces can protect the country against resurgent and future threats, both internal and external. Military forces cannot equate success with merely training and equipping host-nation forces. The best-trained military will languish and deteriorate without ongoing government support and funding. Sustainability demands that the government eventually start replacing external military assistance with domestic tax revenues to fund national military forces and other public services.

Sustainability

Civil servants of Iraq's Diyala Province gained confidence and the capability to track and implement resources for development through computer training. They received the training from the local provincial reconstruction team. Employees of the Diyala provincial government received hands-on computer literacy training, an important step in moving Diyala towards effective self-governance. Their lack of basic computer skills and technology slowed their capacity-building efforts. For example, budget execution, a slow and tedious process, was done using handwritten documents. Providing training to improve the skills of government servants was the first step in creating a more efficient office environment. This training sped up routine tasks that have been computerized for years in much of the world.

An additional step in bringing Diyala into the digital age was creating a sustainable computer infrastructure within the provincial government by providing a locally sustainable source of electricity to power the computers. Without attention to the second two elements, the computer training was not only likely to be a waste of time and money but could be counterproductive; It might have disrupted what may have been a slow but effective resource management and accounting system, leaving no adequate system in its place.

SELECTIVITY

C-13. The selectivity principle directs U.S. bilateral assistance organizations to invest scarce aid resources based on three criteria: humanitarian need, foreign policy interests of the United States, and the commitment of a country and its leadership to reform. To maximize effectiveness, donor organizations allocate resources where resources make a significant impact and where the recipient community demonstrates a commitment to development goals. The underlying idea is that resources are finite and are most effective when concentrated together in select situations. Any allocation of resources, whether in combat operations or infrastructure projects, must consider foreign policy interests, political circumstances, and ground-level needs and requirements.

Selectivity

In Afghanistan, the restored Kabul-to-Kandahar highway illustrates the selectivity principle. More than 35 percent of the country's population live within 50 miles of the highway. Restoring the highway was a high priority for the presidents of Afghanistan and the United States. They asked USAID to implement the project over a short time. The project was crucial to extending the influence of the new government. Since its completion, the highway has led to increased rates of economic development, fostered civil society development, and helped ensure unity and long-term security in the country. In addition, the road travels through several Taliban strongholds. Its upgrade has diminished the Taliban's ability to exert influence in this area. The highway was a development priority since it opened access to the cities and markets. It serves U.S. foreign policy interests by promoting economic development, country unity, and the commitment of the country's leadership while counteracting Taliban influence.

ASSESSMENT

C-14. A development assistance agency must complete a comprehensive assessment of local conditions before designing and implementing a program. Development agencies have the important task of conducting careful research, adapting best practices, and designing for local conditions. A serious concern for foreign aid programs is forcing too much money into local institutions that cannot responsibly spend the increased external funding. As a result, development agencies must consider several questions in their assessment:

- Do reconstruction plans conform to conditions on the ground?
- What are the best practices for each intervention?
- What is the society able to absorb?

C-15. Development agencies must work with entities such as provincial reconstruction teams to ensure proposed projects fit into national plans. A democratically elected government should provide essential and needed public services. Providing services builds public support to and perceived legitimacy of the government. To facilitate this, each ministry within the government must produce a strategy that fits into the overall national development plan to maximize limited resources. Donors ensure potential programs are included in the host nation's strategic plan and budgeted to fund their support for continuous resourcing and ultimate project effectiveness.

Assessment

USAID's collaboration with the provincial reconstruction teams (PRTs) in Afghanistan—which are joint civil-military organizations consisting of 70 to 80 personnel—illustrates the assessment principle. Productive development demands that an agency complete ground-level assessments before starting a project. USAID uses PRTs in select situations; the teams allow civilian personnel to complete field assessments in areas that are otherwise unstable. The instability may be from the presence of Taliban insurgents, regional warlords, drug-financed criminal organizations, or an atmosphere of general lawlessness. With support from PRTs, USAID has the ability to monitor critical reconstruction projects, complete needs assessments, and mobilize local partners.

C-16. Without a comprehensive field assessment, it is almost impossible to predict whether a project will have a measurable and definable effect. The principle of assessment is linked closely to the principle of developing results. Rapid assessment techniques are vital to helping reduce delays in aid project implementation.

RESULTS

C-17. The principle of results includes directing resources to achieve clearly defined, measurable, and strategically focused objectives. The principle of results draws on the assessment principle. This principle ensures that before a donor organization invests in a certain country, it first determines its strategic objectives or what impact the donor organization and the country hope to achieve.

C-18. The donor organization and host nation must consider how they can best attain the desired impact and what types of programs and resources will lead to the goal. Together they must determine specific benchmarks. The benchmarks indicate whether the two are accomplishing their strategic objectives and whether implemented programs are achieving the intended impact.

C-19. USAID incorporates the principle of results in its programs and operations worldwide. USAID believes that when an agency considers a program's impact from the beginning stages, the agency will have more clearly defined and strategically focused objectives. Since 1993, the notion of managing for results has emerged as an explicit core value of the agency. When deciding whether to implement a particular project, the agency applies a "results framework" that visually depicts the objectives to be achieved by USAID and through contributions from other donor organizations.

Results

USAID Iraq's Community Action Program works to promote grassroots democracy and better local governance via demand-driven community development. It ensures community buy-in by requiring communities to contribute between 15 and 25 percent of the value of each project. Community action groups certify that projects are completed successfully before final payments are authorized. The effort has worked in Kirkuk, where a PRT-backed initiative helped revitalize the local market. The shop had been a major outdoor public market, but was losing business as it degenerated in a mass of potholes and fetid, standing water that attracted bugs and rodents. USAID helped pave the road, install new sidewalks, and dig a drainage canal for excess water. The local community contributed more than \$10,000 to the \$60,000 project. For that investment, the market is now awash in fresh fruits and vegetables, meats, clothes, and people of all ethnicities and religions shopping at the tables and stalls.

PARTNERSHIP

C-20. The partnership principle holds that donor organizations should collaborate closely at all levels with partner entities, from local businesses and nongovernmental organizations to government ministries and other donors. Development agencies like USAID usually implement projects through a network of public and private partners that often include nongovernmental organizations and private contractors or private businesses. These partners can directly oversee an entire program, or a local entity like a university can implement a part of a program, such as a civic education initiative within a larger governance program. USAID uses a highly decentralized structure, where implementation and much program design takes place in missions located in the host nation. The USAID equivalent of “commanders” is its “mission directors.” These directors have much greater autonomy than do their counterparts in the military and most other international aid agencies. USAID missions work in a linear, horizontal organizational structure. The structure links various voluntary partnerships, many different parts of civil society, and local and national governments through voluntary agreements and funding mechanism.

Partnership

From all across Iraq, people are traveling to the northern city of Erbil to learn about democracy, elections, civil society, and governance. The U.S. funded National Democratic Institute (NDI) has been teaching these courses to thousands of Iraqis. The group does not teach what policies to adopt. Instead, it teaches how to debate issues and reach agreements peacefully. For example, in Kirkuk, where ethnic tension is high, NDI gets representatives from the three main ethnic groups to talk about security, services, and education. “We walk through methods of negotiation,” said the director. Despite the violence, Iraqis still want to learn. They go to Erbil then return to their communities to try and advocate for the issues important to them, such as services and education. The trainees back home organize in their apartment block or use the Internet and media to organize people around issues.

C-21. USAID first seeks a strong, local partner on the ground when considering a project. This partner must be able to manage the program effectively from design and assessment to implementation. The agency has developed a set of analytical tools to determine which potential partners have the highest likelihood of success.

FLEXIBILITY

C-22. Development assistance is laden with uncertainties and changing circumstances that require an agency to assess current conditions continuously and adjust its response appropriately. The principle of flexibility maintains that agencies must be adaptable to anticipate possible problems and to seize opportunities. Flexibility must be balanced against the premise that good development takes time and reconstruction efforts should be systematized and executed on a large scale.

Flexibility

The provincial reconstruction team’s (PRT’s) role in providing procedures for safe, secure potable water systems in Iraq illustrates the importance of being responsive and flexible. Most people in the Fallujah District of Al Anbar Province, Iraq receive drinking water from wells or directly from the Euphrates River, which is contaminated. This same district lacked reliable sources on power. However, in 2008, it received solar-powered water purification units to help prevent waterborne disease. This purification unit is a point distribution system that uses solar panels to generate electricity to power the pump. The pump draws source water through a series of filters and ultraviolet lights and into a holding tank for distribution. The people then draw water from a storage tank or directly from the unit; they do not require a water distribution network.

To ensure equitable placement of the units, the PRT worked closely with the Fallujah District Council. This council consisted of the municipal and tribal leadership of the major Fallujah subdistricts. The result is access to potable (drinking) water for the entire population. At the same time, the PRT avoided exacerbating ethnic tensions with preferential distribution of the units to certain groups or communities. The solar-powered water purification units provide crucial future capacity for preventing diseases that strike vulnerable population groups.

C-23. The fact that stability operations incorporate such an expansive agenda—encompassing everything from antiterrorism exercises to humanitarian assistance—underscores the need for military flexibility. Flexibility is an integral component of stability operations as political considerations guide stabilization efforts. Military forces and development agencies must remain constantly aware of the political environment and be prepared to change tactics accordingly.

ACCOUNTABILITY

C-24. The host nation, donor organizations, and the development community must design accountability and transparency into systems. By doing so, they build effective checks and balances to guard against corruption, while meeting the needs of the local populace. Donors should work to fight corruption in the countries where they operate. Within the USG, oversight bodies help guard against cost overruns, financial abuse, and contractor mismanagement. These oversight bodies can include the inspector general, independent auditors, the Government Accountability Office, and congressional investigative committees. Externally, development agencies should prevent corrupt local officials from preying on potential projects. These same agencies should ensure that development programs enhance effective governance structures and local accountability systems. Political institutions—especially in developing countries—are fragile, and if these countries lack a strong rule of law foundation, then the risk of corruption increases.

C-25. The accountability principle closely relates to stability operations as well. The local populace must view the military operation as legitimate while perceiving that their government has real authority. If corruption takes root, either on the side of the U.S. aid program or on the part of the host-nation government, then the entire principle of legitimacy is undermined.

C-26. Agencies such as USAID follow a standard set of accountability guidelines based on institutional experience. USAID limits prime contracting to major international firms but ensures that the international firm subcontracts with local firms and builds in several layers of oversight. It distributes smaller amounts of money to local organizations to avoid overwhelming underdeveloped systems. It disperses funds only after work on a project run by a new local organization is completed or as bills arrive. The agency seldom provides up-front money to untested implementing organizations. USAID provides significant financial system training to local groups to build their capacity to handle larger sums of monetary assistance. USAID compiles a list of corrupt organizations and bars them from receiving future funding. Finally, the agency chooses experienced organizations as primary fiduciary agents to facilitate timely and accountable completion of large-scale projects.

Accountability

The Kabul-to-Kandahar road project illustrates the first two factors in practice. USAID selected the prime contractor, which in turn subcontracted various pieces to local firms. For purposes of accountability, the agency built in several layers of oversight. First, the agency has an in-country engineering staff that performed quality assurance inspections of contractor work and that operated as watchdogs over the entire process. Second, USAID's inspector general consistently reviewed financial invoices and completed two general audits to ensure regularity and compliance. Third, the agency contracted with the U.S. Army Corps of Engineers to provide technical oversight over the contractor. The result was that the project finished to specification and on schedule.

SUMMARY

C-27. The nine principles of reconstruction and development formalize customary practices and operating procedures. The principles reflect key institutional principles that most aid agencies incorporate into the reconstruction framework. The principles are designed to ensure local ownership and sustainability of program results while building local capacity and thus eventual independence from outside assistance. They take advantage of the skills and resources others can bring to the effort by forging partnerships. Following these principles helps the host nation to adjust reconstruction and development activities to the dynamic political environment usually encountered in a violent conflict or post-conflict situation.