

**United States Foreign Assistance  
Oral History Program**

**Foreign Affairs Oral History Collection**

An Interview with

Scott E. Smith

1997

Association for Diplomatic Studies and Training  
Arlington, Virginia

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## ASSOCIATION FOR DIPLOMATIC STUDIES AND TRAINING ORAL HISTORY COLLECTION

The Association for Diplomatic Studies and Training, a non-profit, tax-exempt organization, was established in 1986 to enhance the training of foreign affairs personnel and to instill in the public a greater appreciation for our diplomatic history.

The Association's Foreign Affairs Oral History Program was established in 1988 and is housed in the Lauinger Library of Georgetown University and at the Foreign Service Institute in Arlington, VA. The collection is comprised of oral histories taken from a number of projects, with the unifying factor that all concern the conduct of American foreign affairs and experiences of those employed in the field of diplomacy and consular affairs and their families.

The oral history collection includes interviews done under the auspices of the Foreign Service History Center of George Washington University, which was amalgamated into the Foreign Affairs Oral History Program, the Foreign Service Family Project, the Women Ambassadors' Project, the United States Information Agency Alumni Association Project, the Foreign Assistance (AID) Oral History Project, the Senior Officers' Project, the Labor Diplomacy Oral History Project and others.

The aim of the US Foreign Assistance Oral History Program, in particular, is to develop a collection of oral histories of those who have served USAID and predecessor agencies and those who have served in foreign assistance programs of associated organizations such as private firms, private voluntary organizations, and other US government agencies. The Center for Development Information and Evaluation (CDIE) of the USAID has made a grant to help finance the preparation of 120 oral histories.

For the most part these interviews are carried out by retired USAID personnel on a volunteer basis, directed by the Oral History Program. The interviews are unclassified, and unless so marked are available for use by researchers. Most of these interviews have been transcribed and then returned to the person interviewed for editing. The transcript is an edited version, and is not a word for word rendition of the cassette tape. The editing usually consists of correcting of names and dates that have been missed during an interview. The individual interviewed may also choose to expand upon topics that may not have been developed in the time allotted for the interview.

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## KEY WORDS

SCOTT E. SMITH

Africa  
African drought  
agricultural research foundation  
agriculture  
agriforestry  
Alliance for Progress  
American Council on Education  
Bolivia  
Botswana  
Brazil  
Brian Atwood  
capital assistance  
Caribbean  
CDIE  
Central America  
child survival  
Chile  
Clinton Administration  
colonization program  
commodity import programs  
community organizations  
community development program  
Costa Rica  
credit programs  
crop substitution program  
democratic governments  
development information  
Development Finance Office  
drug enforcement  
drug education program  
earthquake (Ecuador)  
Eastern Europe  
Ecuador  
education  
El Salvador  
elections  
environment program  
Ethiopia  
evaluation  
Food for Peace  
Haiti  
health  
Honduras  
human resource development programs  
ICA  
institutional memory  
justice program  
Kenya  
Kissinger Commission  
Korea  
Laos  
Lesotho  
Libya  
microenterprises  
Mozambique  
National War College  
Nicaragua  
non-traditional exports  
Overseas Liaison Committee  
ownership and commitment  
ownership  
Paraguay  
performance measurement  
Peru  
Peter McPherson  
policy dialogue  
politicization  
population  
President Reagan  
President Mugabe  
PRISM system  
private sector  
private voluntary organizations  
productive credit programs  
regional program  
research and extension  
road construction  
rural development  
SADC (South African Development  
Coordinating Council)

sector programs  
small business training programsSouth  
Africa  
Swaziland  
Tanzania  
technical assistance  
Uruguay  
venture capital  
water systems  
World Bank  
Zaire  
Zambia  
Zimbabwe

**United States Foreign Assistance Oral History Program  
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Association for Diplomatic Studies and Training**

An interview with  
Scott E. Smith

Interviewed by: W. Haven North  
Initial interview date: January 14, 1997

*Q: Today is January 14, 1997. This interview is with Scott E. Smith who served with AID for a little over 21 years from 1974-96, retiring in May, 1996. Scott, let's start off with a little background of where you grew up, where you went to school and how you became interested in international development.*

**Early years, education and work experience**

SMITH: I was born and lived for the first eleven years of my life in Indiana. My first exposure to international development work was when my maternal grandfather, at the age of 60, began to work for a predecessor agency of AID. In 1955, he and my grandmother went to Libya as a production credit advisor for the foreign aid program. My grandfather had been a dairy farmer and involved in production credit operations in Indiana and neighboring states through most of his career. I don't recall exactly what it was that led him to the international side of things, but that turned out to be a very significant event in my life. My grandfather spent a little over two years in Libya, and then went to Korea from 1958 to 1960, again as an agricultural credit advisor with the assistance program.

During the time that my grandparents were in Korea, my father, who was working in the Farm Bureau coop in Indiana and was a specialist in agricultural cooperatives, also joined the predecessor to AID (ICA). His initial assignment was to have been to Khartoum, in the Sudan, but disturbances that were occurring there, even in 1960, changed that assignment. As a result, in June, 1960, our family left Indiana and went to La Paz, Bolivia where my father worked as an agricultural cooperative advisor as part of the "servicio agricola". So, when I was eleven years old--in fact, I celebrated my eleventh birthday on the way to Bolivia--my family and I left the United States and spent two years living in La Paz. I spent my 6th and 7th grade at the American school in La Paz, Bolivia, and our family did a lot of traveling around that country.

*Q: Did you have any conversations with your grandfather about his work?*

SMITH: Yes. I also have some of his papers that include trip reports and his end of tour reports from his time in Libya. They are fascinating to read. I was reading them not too long ago and

it is interesting how some of the issues that he dealt with are the same ones we were dealing with in the nineties in AID.

*Q: Can you remember any particular ones?*

SMITH: I think a lot of it had to do with the commitment of the people we were working with and to the extent to which they shared the same vision or ideas about the programs that we were working on. There was much more of a tone in some of his writings from the fifties about American know how going to solve problems in a fairly quick time, which, of course, hasn't proved to be the case, certainly not in Libya.

It was fascinating to see that some of the same issues involving the interaction between foreign advisors and local counterparts have endured over the 40 year period. I don't have many of my grandfather's writings of his from his time in Korea. They probably would have described a little more successful effort, given the general nature of the Korean experience and the assistance program there. But it was quite interesting to read all of that and to get that perspective on his experiences. Aside from that, I guess we really didn't talk a lot about his experiences in international development, although, I must say, that when I joined AID in 1974, a few years before his death, I don't think he was too thrilled with the fact that I had chosen that as a career. I think he had come to see some of the difficulties of moving families around the world. Certainly there is a positive side to all that, by all means, but I am not sure in the end he was especially happy with the legacy that he started first through my father's and then through my career.

*Q: Your father went with him to Libya and Korea?*

SMITH: No.

*Q: I mean when he was growing up and your grandfather was serving in these countries.*

SMITH: No. Grandfather started late in life, only a few years before my father joined, but I think he was the stimulus for my father to join. My father then served the rest of his career in AID, from 1960-78. So, my grandfather and he overlapped for a year or so, and then my father and I overlapped for about four years, from the time I joined until he retired. So, in June, 1996 when I retired, it was the first time in 40 years that someone in our family wasn't working directly for the foreign assistance program.

Anyway, we spent a couple of years in Bolivia, 1960-62. We moved back to Indiana for a few months during the last half of 1962, when my mother finished her Masters Degree at Ball State University. Then, in January, 1963, we moved to Rio de Janeiro, Brazil. My father worked there for two and a half years, until the middle of 1965. After home leave during the summer of 1965, we returned to Rio for about a month, then transferred to Recife, in northeastern Brazil, where my father worked another two years. So, all of my high school years were spent in Brazil, first

at the American school in Rio and then later at the American school in Recife, which is where I graduated from high school in 1967.

During the time we lived in Bolivia and Brazil, I had an opportunity to travel a lot in those countries. My family traveled several times with my father in Bolivia, including to some places that are hard to believe--looking back on it now--that we went to, given the general state of roads and accommodations in those years. In Brazil, I went on a few business trips with my dad when I was on school vacations and then, as a family, we traveled around quite a bit in the country. As I got older some friends and I went on some long bus trips to Salvador, Bahia, and Brasilia.

One of the highlights of our time in Brazil came when I was a junior in high school. The American school in Recife organized a two-week trip up the Amazon River for most of the high school. We flew from Recife to Belem, at the mouth of the Amazon, and then took a small nut boat and cruised up the river as far as Manaus, stopping at several different towns along the way. Because it was a school expedition, we made an effort to study the river and its inhabitants and the environment. It was just a fascinating experience.

So, I was able to travel a lot in Brazil; in fact, by the time I graduated from high school I think I had been in more states in Brazil than I had in the United States. That really made a tremendous impression on me and I think from an early age influenced me to do something in international affairs.

*Q: How would you characterize your impressions of the local people? I assume you had a fair amount of contact with them.*

SMITH: A lot of our contacts were among the American community in the countries where we lived. I think that remains the case now. It probably was even more so in those days, in a way. Many of the people we went to school with were other AID or embassy people, so a lot of the social contacts were with others in the American community. However, during the last couple of years in Recife, I did have a number of Brazilian friends. I don't know that at that age I took conscious notice of differences or similarities among my Brazilian and American friends. It certainly helped with my fluency in Portuguese.

If I look back on that time in my life, what I remember most was feeling so well off compared to the mass of people, particularly in Recife--although it was true as well in Rio--and being very uncomfortable with that. In Rio, we were members of a tennis club on a little lake and all around the lake were the *favelas*--the slums, or shanty towns--on the hills,. It always made me uncomfortable to be sitting there in the club and looking out on what otherwise was a beautiful lake, but having it surrounded by hills covered with shacks of people who were basically squatting on those lands. And likewise in Recife, about three or four blocks from our house was a *favela*. It faced the main street where we would catch the bus to go downtown. So, it was ever present, difficult to get away from. The memory that was most lasting from that time is the difference, the gap, between the rich and the poor, and really feeling badly about that and wanting to do something about it.

After graduating from high school, I went to college at Johns Hopkins University, in Baltimore. Hopkins at the time--they may still have--had a five year program in international relations which gave a bachelor's degree after four years and a masters degree after the fifth. I spent three years at the campus in Baltimore and then two years at the School of Advanced International Studies (SAIS) here in Washington, with a summer program in between the third and fourth year. The summer program was in Europe. We had a class in Geneva, then about six weeks to travel around, ostensibly to the country where we could practice the language we were studying, which in my case was Spain.

*Q: Were there any particular courses you found appealing?*

SMITH: The undergraduate course that I particularly liked was one on U.S. economic history. One of the things I remember from that was looking at the determinants of development and the debates about what had caused the economic "take off" in the U.S....the railroads, the canal system, etc....and looking at the variety of different factors that influenced the development of our country. Having lived in Latin America for about seven years, at SAIS I took Latin America studies, which gave me an opportunity to study a little bit more of the history and the politics. But most of my courses there also focused on economic development and the determinants of economic growth.

The masters program at SAIS was focused around three topics from a menu you could choose from. They really didn't have much of a focus on development in the early seventies when I was there, so the three themes that I chose were international economics, comparative politics, which got more to the political and social dimensions of different political systems, and Latin American studies. .

*Q: Did you write a paper?*

SMITH: I wrote several papers, but none of them were particularly memorable. There was not a requirement at SAIS for a master's thesis or anything like that, so there wasn't a major report or paper that I did at that time.

**Research assistant with Overseas Liaison Committee  
of the American Council on Education**

While I was still at SAIS I took a part time job as a research associate at the American Council on Education. The American Council on Education had a group called the Overseas Liaison Committee, which was primarily oriented towards trying to develop relationships between US universities and the then-emerging universities in Africa. It's focus was primarily on Africa. In the early seventies, they were interested in expanding their focus from Africa to Asia and Latin America. As an initial step in that direction, they hired a couple of people, and I was one of them, to do some research into what similar organizations were doing in Latin America and Asia. I focused on Latin America. The result of our research, after a year or more, was the publication

of a directory of organizations that were involved in development, particularly development aimed at improving education, throughout the world.

*Q: What was the purpose of this organization?*

SMITH: The purpose was to promote linkages between US universities and their counterparts, initially in Africa, and they were looking for ways to expand that kind of approach to Latin America and Asia. Of course, the situation in the terms of higher education was much different in Latin America and Asia than it was in Africa.

*Q: This was a group under a larger organization?*

SMITH: This was a group under the American Council on Education.

*Q: Do you remember any of the people you worked for there?*

SMITH: Well, Carl Eicher was the chairman of the Overseas Liaison Committee. He was at Michigan State University, an agricultural economist and someone who had done a lot of work in rural development in Africa, an area in which he has continued to work. In fact, our paths crossed again many years down the road when we were in Zimbabwe. Shirley Fischer was the director of the committee staff. Carl and Shirley later were married, so we met up again, too, in Zimbabwe in the mid eighties.

*Q: Did you ever have any connection with Carl Bigelow and Fred Haberson and their work on XXX planning?*

SMITH: Yes. They were among the people who were involved in the early work of the Overseas Liaison Committee, particularly in Africa.

I ended up staying at the Overseas Liaison Committee for about 2 and a half years all together. After I graduated from Hopkins, they offered me a one year contract, which was then renewed for another two years. I worked on a number of things at the OLC, including the directory which I mentioned. One of the other highlights was the work I did with a graduate student of Carl's at Michigan State, who was from Ethiopia, on an annotated bibliography of rural development in Africa. I traveled a few times to East Lansing to work with this fellow, whose name is Tekola Dejene. Tekola later became the agriculture minister of Ethiopia. I don't know what became of him. He was minister under the Mengistu regime.

Our work on the bibliography was part of the preparations for a conference sponsored by the Overseas Liaison Committee, I think with AID funding, on rural development in Africa. It was held in Addis Ababa in October, 1973. Several of us from the OLC went to Ethiopia to help organize the conference and provide the logistics for it. It was an interesting conference consisting of three or four days of meetings, discussions and presentation of papers, and four days of field trips to visit sites of rural development programs that were underway in Ethiopia.

That was the first time I had been in Africa, and it was such an exception to what I had done before that my wife (we had been married the year before in 1972) joined me at the end of the conference and we spent the next two weeks traveling around Africa thinking that perhaps this would be the only chance in our lives to visit Africa. She came to Ethiopia and we went from there to visit Tanzania, Kenya and Zaire, where a college roommate of mine was working at the embassy.

*Q: At this conference was there any particular theme or particular point about the rural development process and what worked and didn't work?*

SMITH: Well, the focus really was on that and there was an interesting combination of practitioners and university professors and researchers. Again, the Overseas Liaison Committee was traditionally a group of academics and professors focusing on university to university relations, and they were trying to move beyond that to get more involved in development work.

*Q: These were universities that worked in rural development?*

SMITH: Well, what we did was to look at the experiences of a number of projects. The World Bank was financing a program, the Swedish aid agency was also financing a program that we looked at. I think the focus, as I recall, was really on integrating a variety of different perspectives and interventions, because any individual type of intervention was viewed not as likely to succeed unless a variety of constraints and issues that affected local people were also addressed. In addition to the projects in Ethiopia that we visited, there were case studies from throughout Africa, both English and French speaking Africa, that were later compiled into a publication of the conference proceedings.

*Q: That was in 1973?*

SMITH: Yes.

I worked on a number of other things with the Overseas Liaison Committee. One of them was called the international seminar series which was a series where we invited prominent people, mostly academics, from different parts of the world to visit a number of US colleges and universities that were somewhat off the beaten track for international visitors. It wasn't a program to go to some of the bigger schools that already had international programs and visitors, but for some regional colleges and universities, even community colleges, where, for example, they might have had a Hispanic Studies program, or the beginnings of one. We were able to arrange visits of people from Latin America--from Mexico, Central America, the Caribbean--to those schools to provide a perspective which they didn't often have access to.

*Q: Was there a particular message developed for these visits?*

SMITH: I don't know that there was any particular message. It really was more to allow students in this country who were in those programs, and again it was focused on those schools

who had Hispanic or Asian studies programs, to have an opportunity to talk with people from the region itself, and exchange views, perspectives and expand their knowledge, so that Hispanic-American studies programs would be able to tap some of the resources and perspectives of Spanish speaking countries outside the United States.

### **Joined USAID as an IDI in 1974**

In 1973, I first applied to AID as part of the international development intern (IDI) program, but I wasn't accepted. In 1974, I applied again and this time I was accepted. The IDI program has gone through a number of cycles, but in those days interns were hired to go to a specific country for a specific assignment. I was selected to go to Laos as a program economist, which I found somewhat curious, but this was an indication of things to come. Since my living experience had been in Latin America, my academic experience and training had also been in Latin America, and to the extent that I had any experience outside of Latin America it was my work with the Overseas Liaison Committee in Africa, where else should I be assigned but to Asia!

I remember at the time thinking, "at least it's not Vietnam", and since this was 1974 and we were getting to the end of the wars in southeast Asia, I accepted the offer and joined AID in October, 1974.

Another early experience that should have given me some insight into what I was getting into was that the program was actually supposed to start a couple of weeks earlier than it did, but because the appropriations bill hadn't been passed, there were no funds yet to bring people on, so our starting date was delayed by a couple of weeks until there were funds to enable people to travel and to come in and start with the training program.

*Q: How was the training program?*

SMITH: The orientation at that point in the IDI program was a five week process. The first two weeks were classroom training in the old Pomponia Plaza building in Rosslyn, which AID no longer occupies. Besides briefings on health and life insurance and filling out the forms, etc., the focus was on project documentation, project design, contracting process, etc., most of which went over our heads because we had no context in which to apply it. But, at least we did get some introduction to the forms and to the acronyms and the language of the organization.

*Q: Was there any discussion about development concepts?*

SMITH: Indeed. In fact, the highlight of the training for us, something that has been discontinued, was a two-week off site exercise--which in our case was in Garrett County, Maryland--where as a group we were tasked with developing a project using AID's systems and documents, but doing it in concert with local officials and making it as much as possible a real development project.

There were about 15 or 20 of us in my group and we went to western Maryland and spent two weeks there meeting with county and other local officials and coming up the design of 3-4 development projects based on those contacts. Then those projects were reviewed by a panel of people from the agency, so that we got some feedback and some perspective of what kinds of things AID officers were looking for in projects. I think that was useful from a number of perspectives. Obviously, it became much less of an academic exercise to actually try and take some of these procedures and documents and to make use of them when we had been working for the agency for less than a month. It was interesting to get some feedback and to get some exposure to other people in the agency. But, it was also very important in forming an *esprit de corps*, sort of a group solidarity, among the IDI class because we were there all together, although as a group we were working on four different projects and broken up into four groups.

*Q: What were the four projects?*

SMITH: I was trying to remember that. I don't recall what the four projects were. One of them, and I don't think it was the one our group worked on, had to do with expanding social services in the community. Another one was more of a bricks and mortar, construction oriented project. One of them may have been to develop a little more the skiing industry in that part of the country. We actually stayed at the Wisp ski lodge-- it was off season, in November. The project ideas were ones that reflected the priorities of the local officials.

*Q: How was the reception by the various officials?*

SMITH: Very positive. They were anxious to get the benefit of the perspectives of a group of young professionals.

*Q: Did you get the feeling that what you did was beneficial to them?*

SMITH: Yes, I think so.

*Q: Was there a lot of communication and participation with the local community?*

SMITH: There was quite a bit. Not so much with the community per se, but a lot with the local officials and service providers. It was a two-week process so was a fairly abbreviated one, obviously, because not only did we have to meet with those folks and come up with ideas and design it, but we had to write up a couple versions of the paper.

*Q: What was the critique like?*

SMITH: I don't recall particulars, but do recall it being constructive, although somewhat superficial, as would be normal for people who have other jobs and are kind of looking at what was a fairly quickly written document about something that was apart from their main line of business. On the other hand, it did give me, as I think about it now, some perspectives that I

was able to apply pretty quickly as we were doing the real thing, but with me involved more on the review side of documents that came up.

Our program basically went through the Thanksgiving holidays and into the beginning of December. Each of us then started our rotation assignments in Washington offices, and it worked then pretty much as it does now. The interns were expected to spend some time in a variety of offices in Washington prior to going to the field to get a perspective on, and maybe to meet some people who were involved in, the programs where we were going to go. So, my main office there was the Laos desk and from there spend some brief rotations in the the program office and a few technical offices of what was then the East Asia Bureau.

*Q: What was your impression of AID at that point?*

SMITH: My impression was that the more I learned about the Laos program, the less I liked what I saw. My earlier rationalization of, "it's not Vietnam, so okay," began to break down as I learned more and more about the program in Laos and what we were doing there. Probably about a third of the overall program was what we later called economic support, another third was really related to the areas of infrastructure support where the war was going on, and only a small portion was what I thought were true development programs. And--something that was to become a feature of my AID career-- I was not at all happy with the heavy political influences on the assistance we were providing, which really drove the program in Laos.

### **First assignment with the Development Finance Office, Latin America Bureau - 1975**

So, I did something which gave a tremendous boost to my career in a variety of different ways. I asked to have my assignment changed to Latin America. Through one of my IDI colleagues, who was working in the Latin America Bureau, I learned that at that time, in early 1975, there was a tremendous volume of project reviews going on. AID was just changing to a unified documentation system. Previous to that time, the loan programs had followed a certain format and content and grant programs used separate documentation. As a result of the PBAR Task Force (which stood for planning, budgeting, accounting and reporting) that had concluded its work about that time, the documentation for both types of programs was unified and a third document in the project cycle, the Program Review Proposal (PRP), was added. The Latin America bureau--as was probably true of other regions in the Agency, too, but Latin America had a larger loan portfolio than any other region at the time--was going through a massive catch-up exercise of reviewing both the project papers for its fiscal 1975 program at the same time it was reviewing the PRPs for the fiscal 1976 program. So, the folks in the Latin America Bureau was overwhelmed with this work.

Through my colleague there I was able to make contact with someone who was to be a very important person in my AID career, Marshall "Buster" Brown. Buster at the time was the head of Development Finance in Latin America Bureau's Development Resources office. I had a meeting with him about my interest in changing from an assignment to Laos to an assignment in the Latin American Bureau. Apparently the Latin American Bureau had gotten in trouble for

doing similar kinds of things with the IDI class before mine, so Buster basically said that if I could get out of the Laos assignment they would make a place for me in Latin America, but he wasn't going to do anything to pull from his end because they had done that the previous year and Personnel had gotten on their case. They were going to be neutral in this case, but would take me if I could get out of the Laos assignment.

That was all the opening I needed. I had a series of discussions with people in the East Asia bureau, and not surprisingly the head of the Laos desk, Mary Huntington--someone who I subsequently worked with in a different capacity--was quite opposed to this, as I suppose I would have been under similar circumstances. The IDI program directors, Shirley Marino and those who worked with her, were somewhat sympathetic, but I don't think they could be so officially because it violated the way the whole IDI program was set up at the time. I was able to get an appointment one evening with Norm Sweet, who was either the assistant administrator or the deputy assistant administrator of the East Asia Bureau, and talked to him about my concerns about the Laos program and how that wasn't what I really had joined AID to do. He made a comment which probably turned out to be quite accurate, that the kind of program we had underway in Laos was really the wave of the future, that we would be doing a lot more of those kinds of things than the traditional development work and that he thought my diagnosis of the situation was therefore wrong. However, he basically said that if I really wanted to go, he wouldn't stand in the way of my leaving. And, so I did.

In March, 1975, I transferred to the Latin America region and, of course, in May, 1975 the Laos mission was evacuated and the program closed down. It was one of those near misses that we talk about a lot. Had we actually gone ahead and gone to Laos, we would have been in transit when the program was closed down and had all the difficulties that would have been caused with the house rented and household effects on the high seas and being without an assignment. So, my change to Latin America was a good thing immediately.

The key lesson I took from that experience is that, in the agency, people's first impressions or their initial assignment is tremendously important. I went on to have a highly successful and exciting year and a half in the Latin America Bureau in Washington working with Buster and Dick Seifman, who was the head of the South America Finance Division, and it made all the difference in my career.

*Q: What was your job specifically?*

SMITH: I was a loan officer, a project development officer, and the job was largely to review proposals that were coming in from several South American missions. I was given oversight responsibility for two or three countries, including Paraguay and Brazil. The last funding for Brazil was in 1974, but there was a huge portfolio of activities that were still being implemented. I had one other country too, Chile or Peru, I don't remember which. I had been with the agency only for about six months, but was given responsibility to backstop several countries and to be the point person to review project proposals that came in from those countries. It was a tremendous opportunity to learn the agency, because in the 18 months that I was there I saw

virtually the whole cross section of activities that AID financed in Latin America in those days. I was in a very nurturing environment where people gave me a lot of responsibility. I went on a couple of project development missions to Uruguay and to Paraguay, as well as a TDY to review the Brazil program. It was really one of the best experiences a young officer could have. I thought at the time, and still think, that the boost from that first 18 months as an IDI gave me a lot of momentum to get through several rough spots later on in my career. For the first ten years, it was enough of a boost to get me through what turned out to be a fairly steep trajectory.

*Q: Were there any projects of note that you remember having worked on?*

SMITH: One that I worked on was an agribusiness or agri-industry project in Uruguay. It was about that time, in 1975 or early '76, when a brief window opened for an AID program in Uruguay. Things had been pretty dicey there in the late sixties and early seventies with the Tupamaros and the murder of Dan Mitrione, and the AID program had been closed out for a while. But there was a period of time, just a couple of years, before Uruguay was graduated from assistance, that three or four loans were developed, and one of those was one I worked on, which was an agri-industry project.

I think there was a similar program in Paraguay that I did some work on, although most of the rest of what I was doing was more on the review side and semi-annual portfolio reviews and those kinds of things.

*Q: Was there any particular thing you were suppose to be looking for in these reviews?*

SMITH: There was a whole check list of questions and issues about what project proposals should contain that were identified in the new Handbook III that was just being written at that time. Again, I think it was valuable to my early career to have had an opportunity to look at a variety of proposals from the standpoint of the whole range of feasibility issues that AID considered necessary as part of the program. We were looking not only at the economic and financial aspects but the social, technical, institutional and administrative aspects of the program. The focus was on feasibility issues: was the project going to work? What was the basis for believing that this particular project was going to be successful? At the time, we did not focus on some of the things that I have later come to think are quite important, such as the degree of commitment and understanding and participation of local officials and people in those programs. There was probably more lip service than a lot of real attention given to analysis of social questions. These were mostly still loans. A lot of the projects in those days were capital assistance. Funds for road construction or other kinds of construction, or credit funds for a variety of purposes. Often times there would be a grant element integrated with it and in that respect the Latin American branch felt, and I did too, that they were in the lead within the agency in combining grant and loan elements into an integrated project.

It was a very busy, but a very fascinating period of time. Subsequently, I occupied the position that Buster occupied in 1975 when I came into the LAC Bureau, and I remembered those days and tried to do what I could do to make sure that the initial assignments of other new IDIs were

ones that gave them the sense of responsibility, a good overview and grounding in the program, and some real confidence in their role and their ability to make a difference that was given to me. The notion that even some 25 or 26 year old off the street could be listened to and could make a significant contribution to AID development programs was something very empowering, as was the accountability and the delegating of responsibility. Well, I had all that in a major way and I think both Buster and Dick Seifman were tremendous influences on me in those early years and gave me a boost which lasted a long time.

### **First overseas assignment in USAID/Bolivia - 1976**

In October, 1976, we went to Bolivia. Bolivia had been my father's first assignment in what was to become an 18-year AID career. Bolivia was a very special country for me and it remains so. I was really fortunate that a position came open in Bolivia and that I was able to go there for our first overseas assignment. I was graduating from the IDI program at that point so it was actually a permanent position. We spent a little over two years in La Paz where I worked in the projects office.

*Q: What were our interests in having a program there?*

SMITH: Bolivia was one of the largest AID programs in Latin America at that time. It was a fairly broad program. There were education activities, a large agriculture program, a number of credit projects in which I played a more significant role, large health, population, maternal and child care (called child survival activities later on), but also a large engineering program of mostly road construction and rural electrification, and a housing guarantee program. I don't recall specifically, but I am sure there were Food for Peace programs there, too. So, it was a large program with a large variety of activities.

*Q: This was the time of the Alliance for Progress?*

SMITH: This was in 1976. I guess the Alliance was still officially on the books but it was fading a bit.

The area in which I worked most directly was agricultural and rural development programs, and on a variety of credit programs that we were funding. We had a couple of credit programs for small businesses. We had just started up a productive credit guarantee program, which was a new initiative in the Latin American region, 1976-77, and the project in Bolivia was one of the first of its kind. In a couple of cases, I was the design officer and later the project manager. The finance programs that we had with the central bank, that didn't fit into any of the traditional technical offices, were turned over to our office, the project development office, for implementation and those were the ones that I worked on.

We also had a number of agricultural projects with credit components. There was a community development program, an agricultural credit program, and a colonization program, each of which had credit components. One of the things I tried to do was get a whole picture of the credit

programs that AID was assisting in Bolivia and look for ways to make sure that they were working together, or that at least they were consistent. As I look back on all that, with the benefit of experience and hindsight, some of the things that we were doing or hoping to do were not destined to succeed. Separate credit funds with subsidized interest rates, central bank discount lines and those kinds of things, have now been shown to be ineffective at reaching the people who were our “target groups” and unsustainable.

*Q: Why is that?*

SMITH: Well, most of them included subsidized interest rates and a series of special eligibility criteria. A lot of these credit programs were not really of interest to private banks. Some of them were, and that is one of the things we were working on. But, the whole notion of special credit funds with lower interest rates, of course, as experience there and elsewhere has shown, really tended to be misdirected towards people who were better off.

*Q: Who were they intended for?*

SMITH: They were intended for smaller businesses or small farmers. And, of course, subsidized interest rates were based on the belief that small businessmen and farmers couldn't pay the higher rates. Of course, experience has proven that not to be the case. It has also shown that those special funds tend to be diverted to those who have other influence with the banking system and can subvert them and the eligibility criteria.

*Q: Was that apparent to you at the time you were working on this?*

SMITH: No. I suppose it was new at that time. In 1973, AID had done the spring review of agricultural credit which I'm sure pointed out some of these things. I actually carried a copy of the spring review report and paper around with me for many years. But, I didn't really spend as much time as I might have looking through and digesting this experience. I suspect a lot of this was identified even then, in the early seventies.

*Q: Was there any particular factor that was driving them to subsidize rates?*

SMITH: Well, it certainly was the government's policy at that time, and I think it was AID's as well, to come up with special funds targeted on particular individuals at preferential rates. I think that was pretty much the practice and felt to be one effective way of reaching people who were outside the banking system. But we had tremendous difficulties between the central bank and the private banks that we were trying to encourage to participate in those programs. A key issue was the role of a central bank, which performs a regulatory function, also doubling as a development bank and trying to encourage private banks to undertake particular kinds of lending programs through a discount funds for specific kinds of things. It proved not to be particularly successful, and the politics and the bureaucracies were not particularly suitable for the central bank. The central bank really had much more of a regulatory mentality, not the kind of facilitative, private sector mentality. So, there were a number of clashes and difficulties, which

meant that the funds were not only sometimes being diverted to other uses, but in general were not being used as rapidly and effectively as they might have been.

The program in Bolivia also had a strong focus on childhood diseases, immunizations. There was a family planning program there as well.

*Q: Was that well received?*

SMITH: I don't recall. It wasn't something I was specifically engaged in. I don't recall that there was a lot of controversy about it. As is true throughout Latin America, there are a number of different influences on family planning programs, but I don't recall that there was a particular opposition to the program.

*Q: Why do you think those programs were working better than others?*

SMITH: I don't know. I think they probably responded more, certainly than many of the credit programs did, to what the Bolivian government wanted to do. There was fairly broad support both from government and a variety of PVOs and NGOs for working in those areas. So, in that respect-- not that there weren't difficulties--I think there was more coincidence of interest, commitment maybe, in those areas than was true elsewhere.

Education, which was another big program we had there, I think was less successful. Education programs in Latin America tend to be a little more controversial and you begin to get into issues like curriculum, teacher incentives and other issues which can become quite politicized. Bilingual education, which was a focus at the time, had a lot of issues. In the health sector, I think this was true in Bolivia at that time and I think generally probably true in lots of health programs in general, there is more of an agreement on the need to do something, what to do and more of a commitment by the people.

*Q: Was this a countrywide program?*

SMITH: Yes.

*Q: Did it actually get out to all parts of the country?*

SMITH: I think so. My impression was that it was a fairly successful program. The focus of the program was probably on the Altiplano, the highlands area of Bolivia, which was the focus of much of our program there. That is also where much of the infant mortality and maternal health problems were also greatest.

A couple of other impressions from those days. One of the projects that we were supporting then was a colonization effort down in the lowlands, basically a tropical forest area. It is interesting to think back on that now in light of work I have done on environment programs and biological diversity and the whole issue that emerged later on with tropical forests and the unsuitability of

these areas for permanent cultivation. But in the mid-seventies we were very much involved in a colonization program down in the Santa Cruz area which was not especially successful.

*Q: What were we trying to do?*

SMITH: It was largely a project of building roads and infrastructure for settlers.

*Q: Where were the settlers coming from?*

SMITH: They were coming mostly from the highlands where there was a lot of pressure on agricultural lands from high population density. The idea in those days, and I think to some extent unofficially and officially now, in the Andean countries of Latin America, was that the tropical areas are a solution to the overcrowding and poverty of the highlands. And, of course, this was the driving view for that project. It was unsuccessful for all of the reasons that one can now imagine. The lands were not particularly suitable for cultivation. The kinds of crops that would grow there were not the kinds of crops that the people were used to. The weather conditions were not the ones people were used to. You were taking people who were used to living at 14,000 feet and putting them down at 1,000 feet in a tropical environment, clearing all the trees and trying to get them to plant things. The technical, cultural and social issues were just overwhelming. New bridges were being wiped out by flooding and access was cut off from the area. There was a tremendous series of issues and problems. The area today is probably settled and the people making a go at it the best they can, but it was quite a struggle and something that probably was highly questionable in view of environmental concerns that have become clear over the last 20 years.

*Q: It might have been done differently or not done at all?*

SMITH: I shouldn't have done it at all in retrospect. I think that the notion of colonizing tropical forest areas is not a means of sustainable development.

Those days, 1977-78, were the beginning of an issue which has characterized, even dominated, the AID program in Bolivia ever since, and that is the whole coca crop problem, the drug problem, cocaine from coca production, coca eradication, coca crop substitution. During the time I was there was when the first crop substitution programs were designed and put into effect. I think we were all not under any illusions that we were going to be able to find a crop that competed with coca economically. The real solution to the coca cultivation problem was going to be a combination of demand reduction, actions in the US or wherever, as well as enforcement actions there. And, of course, it was those things that were lacking. In the absence of that, the efforts to grow pineapples or citrus fruit could provide some additional income and perhaps a more diversified product mix, but they weren't going to solve the drug problem.

*Q: You did pursue crop substitutions?*

SMITH: Yes. There was a strong imperative to do that. For people who were looking for alternatives in the few areas where drug enforcement was working, substitute crops did provide an alternative livelihood to them.

*Q: An alternative or complement? Did they really stop?*

SMITH: In many cases they probably didn't stop. It was, I think, a vehicle for getting resources devoted to development and adapting a number of crops which were suitable for growing in those areas. To that extent, it was a useful development program. But the context was the whole drug enforcement issue and the commitment of the Bolivian government to it. Several of us felt that if the drug issue was a way to get some money for development purposes for things that could be useful, then that is great. After a couple of years it became real clear that that was not the only reason for making funds available, there was expected to be some true substitution, some enforcement and the program in the late seventies began to get much more heavily criticized.

*Q: What did that mean?*

SMITH: It meant getting the AID program a lot more interested in, if not involved in, what was happening on the enforcement side...the military, the police and DEA kinds of activities. And, it also meant the AID program began to be expected to meet objectives that were more than just agricultural objectives, more than just development objectives, ones that were linked to the actual substitution of coca, not necessarily on a particular piece of land, but in general. And, of course, what often happened was that a particular parcel on which the coca had been destroyed may have been converted into something else, but then the next parcel down would begin to be cultivated in coca. So, there wasn't any actual decline in coca production, in fact quite the opposite. So, the standards by which our programs were judged began to change from ones that had strictly to do with the more usual development criteria, adapting of particular crops and getting people to adopt them, to a much more political agenda. And, more and more, especially after I left there, the whole crop substitution program became much more a significant feature of the AID program in Bolivia than it was in those days when it was just beginning.

*Q: What were the other features of the program that we were engaged in other than the crop substitution?*

SMITH: Well, there was the health, education, construction, etc.

*Q: Were you involved in trying to reduce the demand for coca?*

SMITH: I wasn't and I don't think AID was involved during the time I was there. I don't really know the extent that AID subsequently became involved in some of those activities later, but political agenda is one that was just beginning to emerge in the assistance program in Bolivia in the late seventies and is one that has dominated our relationship with Bolivia pretty much since then.

*Q: Oh, the drug issue. Congress got involved?*

SMITH: Yes.

*Q: Having to certify part of it?*

SMITH: Yes. That is part of it.

*Q: What were we certifying?*

SMITH: The certification related to efforts by the government to eradicate or reduce the area of coca being cultivated and also steps to address and stop the transformation of the coca leaf into cocaine.

*Q: How did you find working with the government on all these programs?*

SMITH: It varied. In terms of the coca crop substitution programs, the part that we worked on during my time there was really more on the research and extension side. I think several people in the Bolivian government who were responsible for that also saw it, if not a windfall, then certainly something that gave them additional resources for doing research work on various crops in these particular areas. At the time I was there we really didn't work with the government on the enforcement issues.

Working with the government in general is another point I wish to make. The Carter Administration came in and was very interested in human rights and democratic governments. This also began to affect the AID program indirectly in that issues about elections and the form of Bolivia's government got introduced as criteria effecting the size of the assistance program. Bolivia was in those days a military dictatorship, but unlike most of its history, it had remained fairly stable over a period of six or seven years to that point. That stability, I thought, was beginning to pay off in terms of some of the economic goals and social development as well. But, it was very important to the US government and the Carter Administration that Latin American governments--governments throughout the world--become democratic. I think that that pressure and using the AID program as a tool in that pressure, was fairly significant and may have forced the Bolivian government to have presidential elections a couple of years before they were otherwise planning to do so. So, elections were held in 1978.

*Q: What kind of pressures were we applying?*

SMITH: I think a lot of statements behind the scenes, certainly ambassadorial statements, encouraging them to have elections and using as a carrot or perhaps a stick the AID program as a way of stimulating them to move more quickly to a democratic elected government than they might otherwise have been inclined to do.

*Q: Were AID programs linked with the condition of having early elections?*

SMITH: Well, it wasn't explicitly so at the outset, but it became a process where more and more of those were linked. I have become a major fan of Jimmy Carter and am also a life long Democrat, but in those days I felt that the rush to move to a particular form of elected government ignored the importance of stability in what has been historically a very unstable country, government-wise. In the history of Bolivia there have been more governments than years of independence. In that environment, I felt then--and feel that history has not proven me incorrect--that moving too quickly could be too destabilizing and upsetting. But, nonetheless, elections were moved up a couple of years ahead of the schedule that was envisioned and the result of that was pretty disastrous for the next ten or fifteen years in Bolivia and certainly for the remainder of the time I was there. Elections were held in mid-1978. There were a lot of questions about the elections and they were eventually annulled because of alleged irregularities.

*Q: Were we providing support?*

SMITH: I don't recall that we were. I don't think so.

The government candidate who ostensibly won the election then staged a coup and took over the government and a few months later there was another coup against him. This started the cycle of revolving doors that destabilized the country for a number of years. The last six months or so that I was there, the last half of 1978, was a time of great uncertainty and instability and it was tremendously difficult to get things done with the government. Even when there were three or four months of a particular government there was a lot of shuffling of cabinet ministers making it a very difficult and frustrating time.

*Q: The elections were a destabilizing factor?*

SMITH: Yes. I am certain there were issues of human rights with the Banzer government. There probably was a growing involvement, which certainly became much more pronounced later, of the military with drug trafficking. All of these were important issues, but I think that the move to elections and Bolivia's superficially symbolic return to democracy through the vehicle of elections turned out to be destabilizing. I think moving from authoritative to democratic rule in countries is not merely as simple as having elections. Just like economic development requires a nurturing process to work, political development requires a long term process that just did not seem to be recognized or acknowledged there at that time.

*Q: Bolivia didn't have any prior democratic governments?*

SMITH: There were a number of periods of times where there was democratic rule, elected government. Particularly from 1952-64, after the Bolivian revolution in 1952, there were four year administrations and peaceful transitions from one president to another. That ended in 1964 in the coup that kind of set up the whole process for the next seven or eight years, and then led to the Banzer years in 1971.

Part of the problem in Bolivia was that a lot of the old players were still around. The people who had been the leaders of the revolution in 1952 were still the names in politics in 1978. These had been the people who had been the presidents in the fifties and early sixties. Bolivian politics had not moved on, matured or grown from the days of the revolution. After the revolution the leaders broke up into various little factions. So, there was really no next generation of politicians that had an interest in a more national consensus and view. Politics was put into the deep freeze and when taken out was pretty much the way it was when it was put in. There hadn't been any real development that would allow things to change. And, on top of that you had the military as another player and it was an extremely unfortunate and unstable time. I haven't been close to Bolivian issues for a long time, but I think what you see now in Bolivia is finally the emergence of a new generation of politicians and leaders there. Siles Zuaso and Paz Estensoro were the first presidents in the mid eighties after the return to democracy and the period coincided with hyper-inflation and a lot of other issues. It was after Paz Estensoro's last term that new leadership emerged. But, in 1978, that was not there. It was still in the old days of revolutionary leaders and it was not an appropriate time. So, I think a lot of advances we were helping to make in the development field were set back enormously by the political instability that resulted from what I felt then and still feel was premature urging of return to democratic government.

*Q: Did we have a program on developing democratic institutions at that time?*

SMITH: No, nothing.

*Q: Maybe it was after that period, but I understood that in Bolivia there was the tendency for the government to turn over implementation of programs to the UN, donor communities, etc. because of bottlenecks; they got out of that implementation role.*

SMITH: First of all I think there were several different threads to that. Most of that probably occurred later, but there were elements of it that occurred then and perhaps going back to the fifties and sixties with the *servicios*. In the fifties when the assistance program started in Bolivia and other places like that, there was no health ministry, no agriculture ministry, no education ministry. The *servicios*, which were bilateral Bolivian and American organizations that brought people from both countries together to focus on development issues, became a nucleus around which those ministries formed. But in the early sixties when my father was there, he was in an operational role together with counterparts. So, there is that kind of history, not only in Bolivia, but in a lot of places, where *servicios* were an implementing mechanism.

But, even in the mid-seventies when we were there, there was a tendency--mainly because of corruption and the inability of the formal government structure to carry out programs because of its bureaucratic procedures and the length of time it took to get things done--for a lot of the donor programs to create implementation units for carrying out their projects. The World Bank and others had special units set up outside the official government structure to administer the projects they were financing. These perhaps were useful devices for implementing projects, but certainly did nothing for mainstreaming and internalizing or allowing for project activities to

become models for anything that the government did more generally. They, in fact, created a feeling of competition because often these implementation units were able to pay people higher salaries, had all the equipment, vehicles, etc. There was a vast difference between that and what the run-of-the-mill ministry had, so they created resentment and competition instead of cooperation.

*Q: You had a lot of experience working with Bolivian people. How did you find them to work with inside and outside the government?*

SMITH: The Bolivians were somewhat frustrating to work with. I think it was often difficult to work with a lot of the government officials. Bolivia had a real undercurrent, that sort of came closer to the surface sometimes more than others. It was sort of an anti-Americanism. Going back to my childhood and thinking more recently about the impact of this on my career and life and perspective of Latin America, growing up in Latin America I was part of a fairly privileged American family and working for the government. But seeing those radical differences that I mentioned earlier about rich and poor made me somewhat receptive to the ugly American kind of caricature and also the image that many Latin Americans had and probably still have of the United States, and their sense that their relationship with the United States is as kind of second-class citizens. I think a lot of the difficulty in getting along with a number of Bolivians officials and others was reflective of that. That sort of chip on the shoulder. The feeling of second-class citizen. The feeling of being pushed around by Uncle Sam. And, of course, some of the things that I mentioned, the drug programs and the timing of elections, didn't do much to sway them from those views. So, I think there was an element of that.

Another element was corruption. I must say it was not something I particularly focused on a lot at the time, but certainly there was some of that emerging and there was a lot of probably agreeing to things that they really didn't agree too. A lot of subversion, probably in smaller ways, not massive padding of bank accounts out of the country. This type of thing made for difficult relationships. After the aborted elections in 1978, the revolving doors of officials you dealt with just made things very difficult.

Against that, I must say working in Bolivia was actually one of the better places that I have worked. There is a whole fabric of institutions in Bolivia that really resulted from a long involvement with the US assistance program. I mentioned earlier the *servicios* and how they evolved into sort of mainline ministries of education, health, agriculture. This is also true of the private sector. The whole savings and loans system in Bolivia was really a result of a series of housing guarantee programs and work with AID over decades. The person who was the head of the savings and loans system when I was there was somebody who had worked in AID in the early sixties and, in fact, was a friend of my parents from the time they were there, Ernesto Wende. So, he was someone who knew AID from the inside. In fact, what you had there in Bolivia, this kept coming up time and time again, were people who had spent a number of years working as Bolivian officers in the AID mission and then going out and becoming significant fixtures in the private sector institutional fabric of the country. So, at one level there were some difficulties in dealing with people, but on another level it was very nice because there was a

whole institutional connection with AID that had grown up over the years. AID helped create the industrial bank and several other institutions in the private sector. Agricultural cooperatives, savings and loans, were really the creation of AID and Bolivian projects.

Working in the mission was very good too because you did have Bolivian employees for whom working with AID was their career. So, you had some people who had seen all of the coming and going of us folks who were there for two or four years, but they had been there for 15 or 20 years themselves and were able to be a source of continuity and institutional history of what worked and what didn't work. They were just very, very good people.

So, there were some difficulties at a certain level, but by and large, I think, working there was a very positive experience.

*Q: Did you have much opportunity to get acquainted with the rural population?*

SMITH: Not really very much. I think one of the main issues for AID is the extent to which we live protected lives, insular lives, in the countries where we work. Some people are able to reach out more than others, but in general, I think, that the commissaries and privileges that we have access to really insulate us from understanding the countries in which we live. My own feeling, too, was that being an official in an aid giving organization always created at least some suspicion about why people from the country wanted to know you, whether they were expecting to get something from it. It made it very difficult in many cases for me to form friendships or relationships with people. And, certainly, getting to know the circumstances that affect the livelihood of the vast majority of urban or rural poor is very difficult. A symbol of that which I always thought was a move in the wrong direction, although I personally benefited from it in a number of ways, was after the passage of the Foreign Service Act in 1980 all AID people suddenly got black passports and became diplomats. The official passport was separation enough from what was going on in the country, but when people then thought of themselves as diplomats too, I think it made it very difficult to really get much of a feel for the country in which they were living. I think that remains a major structural obstacle to AID development work.

*Q: Like the embassy?*

SMITH: But, the embassy had a different role. The embassy's role I have always seen as being sort of the outpost of the United States in country X. Their role is to look at developments from the US perspective or in many cases, to serve customers who are Americans through visas, business people, etc. Certainly some understanding of local cultures and peoples and what is going on is important to that, and I think they are insulated from that kind of understanding too. AID's role, I feel, and I am not sure how generally this is shared, is very different. Its role is not to be looking out for US interests, but one that tries to understand the perspectives of the country and peoples and how we can form a partnership with them to help them improve their lives and conditions so that over time there will be that partnership, an acknowledgment that the US helped them improve their situation. That is what is in our benefit. We don't take those measures with short term political or other interests in mind. That principle has gotten violated

a lot over my career and has been one of the things that has gotten me crosswise with the prevailing winds of the agency. But, I believe that firmly.

*Q: But AID is an instrument of foreign policy. How do you draw the distinction?*

SMITH: The instrument that it is, is a long term instrument. It is one that helps to create conditions in countries which will be in the long term interest of the United States. And, forming partnerships with people of all levels of society helps to create a favorable impression of the our people and values and what our country stands for. That is what I think the foreign assistance program contributes to foreign policy, not that it influences this week's vote in the United Nations, not that it helps a country take our side in some international dispute, not that it will now do things that are more beneficial to US business interests in the country, but that over the long range what will emerge from our assistance efforts is an independent country, one that is confident in its own voice, feelings and interests and which recognizes that there was a mature partnership that existed between our two countries and is at a level that is so fundamental that you don't begin to question their basic loyalty. That there will be differences on votes in the UN or positions taken on particular issues, but the underlying friendship and loyalty and sense of partnership that exists among the countries is there. That is what I think US foreign assistance contributes to US foreign policy, not any of the short term issues which I have already mentioned and others that I will mention later.

*Q: Well, we will come back to that towards the end. Is there anything else on the Bolivia experience?*

SMITH: No, I think the only other thing that I would mention is just in terms of my own career and how that was developing. I went to Bolivia just out of the IDI program and was the most junior American member in a five (US) person project development office. But through a variety of circumstances, for most of the last year that I was there I was the acting chief of the office. I began to play a management role and think more about management issues. Any kind of "acting" role is frustrating because you were by definition down a person or two, and we definitely were that during those times. Being shorthanded, recruiting and hiring became part of my more formal role during the last year I was in Bolivia. Being thrust into these broader responsibilities was partly responsible for my quick rise in the organization over the first several years.

As I look back to my time in Bolivia, there was a tremendously good group of Americans who were there at the time. Bolivia had one of the biggest and most diverse programs in AID at that time, but it was to some extent a backwater country.

*Q: How big a program was it? What kind of scale are we talking about?*

SMITH: I think \$35-50 million a year in the mid seventies.

*Q: All projects?*

SMITH: Yes. It had a US direct hire staff of about 35 when I first went there. As I look back at the names of some of the people who I worked with during my two years there and who became friends and colleagues throughout the rest of my career, it is an impressive list of folks, many of whom are either now or were mission directors or deputy directors.

*Q: Who were some of these people?*

SMITH: In the agricultural office Dan Chaij, who was later Director in Costa Rica, was the head of the office. Bastiaan Schouten was his deputy and Steve Wingert, who also became Mission Director in Costa Rica, was working on cooperative programs. In our project development office were Kevin Kelly (who became Director in Panama), Ed Kadunc (who has been AID Rep in Colombia and Brazil), Mike Deal (currently the Deputy Director in the Dominican Republic). In the program office, George Lewis, who is now director in Rwanda, Howard Handler, Dick Archie. Our lawyer there was Chuck Costello, who has been mission director in several countries. So, a tremendous number of people, many of whom were just starting out their careers as well. Steve Wingert, Bastiaan Schouten, Ed Kadunc, Mike Deal, Chuck Costello were on their first tour. It was a good group of people and actually one that would be really difficult to replicate today I am afraid.

*Q: Why was that the case?*

SMITH: I don't know. Possibly because of the program that it was. The size made it more likely to attract those kinds of people. But, also I think it was perceived as a good development program. Other than that I really don't know. But, it is interesting that so many people who later became very successful had their first tour in Bolivia.

*Q: What was your perspective from the field about what AID was trying to do, how it was being managed?*

SMITH: I don't know that I had any big perspectives in terms of how AID was being managed. There was a change of administration during that time. But, I am not sure I had much of a perspective on big management issues. The agency had just gone through this PBAR exercise where it had shifted around its formats and documents for programs to unify a system of loans and grants. So, that was kind of in the digesting phase, there wasn't a lot of new work on management systems that was being done. We were trying to make the new system work, so in terms of systems and things there wasn't much turmoil in those days, although there had been earlier and would be later on. I think the major change in terms of emphasis of agency level or US level over the years was this emphasis on democratic governments and human rights that the Democratic administration brought in and then also the focus on drug issues, which was not partisan at all, but something that was part of the time.

*Q: Okay, let's move on.*

**Transfer to USAID/Haiti - 1979**

SMITH: In January, 1979, we left Bolivia and went to Haiti. I had had some discussions that fall about a transfer from Bolivia as things had gotten a little unstable in Bolivia. I had also been the acting office director for a while and that was starting to get old without any real sense of whether that was going to be a permanent promotion or not. That combination of things prompted me, despite my affection for Bolivia, to think about moving some place else. So, I had had some discussions with the Bureau and the outcome of that was a transfer to Haiti as the head of the project development office in Port-au-Prince.

*Q: Why Haiti?*

SMITH: Well, I guess primarily because it was there. It was what was offered and the job was a good job. It was a move to an office director position. Also because Haiti was another poor country and that was what I was interested in focusing on. I didn't know much about Haiti before I went there. I had had a little French in college and thought that would help. That proved to be not too helpful. It seemed like an interesting place to go and certainly one where you could identify quite readily, as one could in Bolivia, with why you were there, from a development standpoint. So, we went.

My youngest son was born during that move. My wife and older son had gone to Texas to stay with her folks after we left Bolivia. My youngest son was born in March so they came and joined me in Haiti in April. So, I was there by my self the first three months. That actually wasn't too bad. I took some French classes the first month I was there and spent a lot of time just getting adjusted and acclimated to the new program and a very new culture and very different kind of country.

*Q: What was the situation when you arrived in Haiti?*

SMITH: Well, Haiti was like no place I had ever been before. Even having traveled in Africa, it was not that. It was a difficult place to get to know. Unlike in Latin America where I had grown up and knew the language and my way around and to some extent could be mistaken for someone from that country by my appearance, in Haiti there was none of that. There was no question but that you were a foreigner. The culture was something that was different and it really took us about a year of being there before we really felt comfortable. Not because of crime or because we felt in a dangerous situation, but because just walking down the street you obviously stood out and people in the market or on the street would sort of yell out to you and that kind of thing. They did this not in a threatening way, although when I was first there and not familiar with the language and culture, I was never quite sure what was going on. So, it really did take us a long time to adjust.

*Q: What was the government situation?*

SMITH: One looked at the government situation from two perspectives, I suppose. From the perspective of the time, it wasn't good, it wasn't bad. It certainly was better than it had been. In 1979, Jean-Claude Duvalier had been president for three or four years, "Papa Doc" had died.

There was a feeling of optimism of an opening, that things were getting better. I think that was true. A number of people, particularly younger professionals who had spent a lot of years in exile in the States or elsewhere in the Caribbean were coming back to Haiti and setting up businesses. Things generally were looking up. Certainly when one looks at Haiti in retrospect, the time that we were there from 1979-81, was probably close to the golden years of the last half century. We kind of hit it at the peak because things had begun to go down by the time we left.

On the other hand, a few years is not a long time to change a lot of the internal practices, beliefs and culture and the government. The government was viewed as being very ineffective, not caring particularly about the people of the country or its development, quite corrupt in many different ways. The AID program had started in Haiti about 1975 or 1976, so I was probably a second generation of AID people to work in Haiti and got there just as many of the folks who had opened up the program were beginning to leave.

Some of the early programs, reflecting the development models of the time, were with the government. But those were pretty uniformly not working very well.

*Q: What kind of programs were those?*

SMITH: Again a range of things. Agricultural development programs, health and population, road construction, some credit programs. The government programs were really not going anywhere. There were tremendous implementation delays. So, most of what we did in terms of new projects, or even redesigning some of the old projects, was to work with private voluntary organizations, PVOs. There was a big Food for Peace program there...child feeding programs and school feeding programs...with large involvement from CARE and Catholic Relief Services. So, the main strategic approach that we took during the time that I was there was to work much more with non-governmental groups and to put together programs that would in effect bypass the government. And, of course, that became a much stronger theme in the Haiti program following that.

*Q: Did that work?*

SMITH: Well, it depends how you define "work". It probably worked better in terms of getting specific individual projects going and achieving their own aims. Did it have much of a significant impact on Haiti and Haitian development in general? Probably not. It was hard to tell because of what happened in the country after that time. Beginning in 1980-81 Jean-Claude Duvalier and his government became much more corrupt and much more insulated and began the downhill slide which led to his leaving his "life presidency" in 1986, which led to another period of great turmoil there.

*Q: What about the voluntary agencies?*

SMITH: A lot of them were church groups that would have one project. But they were out there. They were the network that was providing whatever services were being provided. So,

I think that the private agencies were pretty effective at reaching people. Again, maybe more on an anecdotal and not a systematic basis, but nonetheless I think they were successful.

*Q: Were they just providing services or were they trying to build any kind of community capacities?*

SMITH: The latter. I think there was a lot of attempt to try to build capacity, to develop community organizations. Not all of them, obviously, but I think by and large there were major attempts.

*Q: Do you have any idea how that worked?*

SMITH: Well, again, at a local level, I think it worked fairly well. Some of the larger programs were carried out by CARE, which not only had the food programs but had its own development programs that focused on handicraft and agricultural development. That was pretty effective I think, although in a limited kind of way, not with any really discernible national benefits probably. Again, as the political situation deteriorated throughout the eighties it limited any further impact.

*Q: Were the local initiatives sustained or did they deteriorate as well?*

SMITH: One of the programs that I am most pleased to have been involved in was in Haiti. There was and is a major problem in Haiti with deforestation, in fact, almost the whole country has been deforested for charcoal and other uses. A major effort of ours during the time I was there, and I think it still remains a major focus of the program, was on trying to do something related to tree planting. We wanted to try to do that by creating agriforestry activities where farmers could raise their own trees for fuel and other uses and also, to some extent, begin to reverse the deforestation trend, although that was probably a little more ambitious. So, we put together an agriforestry program that really has become quite successful and I believe even now with the revival of the assistance program in the last couple of years is still going on.

*Q: What were the features of that program?*

SMITH: Well, again it involved exclusively private organizations and there were three different aspects to it.

*Q: These were international organizations?*

SMITH: Some were international and some were local, although most were international. One feature was working with CARE and the organizations they were working with in the northwestern Haiti to help introduce agriforestry into their development programs. The planting of fast growing trees, and that kind of thing.

A second component was to create a clearing house or a mechanism, a channel to fund small community level projects that international or local NGOs would want to carry out. A program office was created by the Pan American Development Foundation; it ultimately ran that program, which was basically a wholesale/retail operation where AID provided the funds to PADF and PADF then retailed those out to small community projects throughout the country.

A third component was a nursery component, working with an American who had come down to Haiti as a semi-missionary, semi-private businessman: "Operation Double Harvest". He had developed a technique for growing seedlings which was much quicker and much less cumbersome than the traditional big-black-bag-full-of-dirt approach. A sort of cone approach which got the root structure the right way and could be done using little forms that he had developed. So, we provided some funding for him to expand some of his nursery operations for growing the seedlings that were then used by the community organizations and CARE in other parts of the program. I think the project has been a tremendous success, at least in terms of numbers of trees planted, which is something given what the history in Haiti had been up to that point.

*Q: What was the incentive to the people to plant the trees and then preserve them?*

SMITH: The incentive was that they owned them, unlike the situation with a lot of the forests that existed there. They owned them, planted them on their own. They were fast growing trees, so theoretically they could begin to get some benefits from them fairly quickly. The seedlings themselves were either given away or a small amount was charged. Then there was some assistance provided in the care and nurturing of the seedlings. But, it was intended to be an effort that was driven by a farmer's desire to have the trees. It wasn't a government agency going out and planting trees on community land, but an activity that was started by a decision of the farmer that he or she wanted to plant something on their land. They owned the trees. It was not community wood lots. It was a commercial effort on the part of the farmers' themselves.

I think that is illustrative of the kinds of interesting things that we did and one of the programs that I was involved in.

*Q: Was there anything in health and education?*

SMITH: There wasn't much in education. Part of the problem with education was the language and we really didn't have much in the way of French and certainly not Creole expertise to offer for the education system. And, like other places, there was great sensitivity about curriculum and the history of Haitian education was more derived from the French system anyway than the ones we were familiar with.

Health, there again were major programs in mother and child health and family planning. Much of them through private organizations, too. Some of that was with the government agencies as well. There was a small program that was begun for small business, micro enterprise assistance. We did a lot of work on that when I was there. Helped to create the Haitian Development

Foundation which was similar to the similarly named organizations in other Latin American countries. We also did a lot of research work on small businesses in Haiti as a foundation for future programs in this area..

*Q: Did that work?*

SMITH: There were some results, but again several years later there were a number of problems with the Haitian Development Foundation, corruption and leadership issues, which undermined some of those efforts. Unfortunately, I think we took more of a top down institutional development approach than supporting an organization that emerged from the communities or clients it was intended to serve. I think that gap in perception and culture was one that was difficult to overcome.

*Q: What was the size of the overall Haitian program?*

SMITH: I don't really recall but it was probably in the neighborhood of \$20 million a year.

*Q: Including the food assistance?*

SMITH: Yes. There was PL480 Title II assistance but also some PL480 Title I programs as well. So, to that extent there was an economic policy aspect to the program and a lot of reform efforts devoted to the national flour mill and its pricing policies and those kinds of things. So, it was a pretty multi-dimensional program from that standpoint.

*Q: Why was the US interested in putting that much money into Haiti?*

SMITH: I think there were a couple of motives. One, the initial one after Jean-Claude Duvalier became president and things seemed to be getting better, was the absolute poverty and the gap between Haiti and Florida which is only an hour and a half flight away. So there was a more altruistic desire to do something in the country. But a dimension of that situation, which and became much more prominent during my time there, was the phenomenon of the boat people. When boat loads of Haitians began to wash up on the Florida shores it became a major concern of the US government to address that and keep them there.

*Q: What triggered that?*

SMITH: Well, I think what triggered it was the economic disparities. The desperate situation.

*Q: It had gotten worse?*

SMITH: For a variety of reasons, which I think were largely economic in that time, the boat people situation became a major issue and a major concern.

*Q: Were we doing anything at that time to try to prevent that?*

SMITH: Nothing directly. Again, the theory was that effective development efforts would help to stem that, but of course that was a pretty tall order given the magnitude of the problem. That was like drugs and democratic elections in Bolivia and became the foreign policy issue having to do with the Haiti program. The lack of results, in terms of reducing the flow of boat people, became important for influential people in the Congress and therefore the administration. In 1980 that became a major issue and Clarence Long in the Congress took a hard line about cutting off assistance to Haiti unless something was done to stop the boat people from leaving. It became a major issue whether the AID program was doing anything in Haiti that was making an impact on this problem.

That kind of set up what, for me, was one of those major defining events for my career and in my life. At the end of 1980 there were presidential elections in the US and Carter lost and Reagan won. The contrasts in the way that those two administrations dealt with the issue of Haiti couldn't have been greater. I am not sure the way I just said that it is accurate, actually, because I think it boiled down more to individuals and their own particular perspectives on things than to some disembodied "administration". But, nonetheless, the approaches were quite different and provided me some real insights into the effectiveness of different management approaches to problems. When we were having these issues in the summer and fall of 1980, before the election, Jack Vaughan was designated as the assistant administrator for Latin America, although he was never actually confirmed in that position. However, after having been designated he was sitting in the office and anticipating being confirmed and moving into that job full time.

One of the big issues, politically, and one of the issues that he felt he needed to address in his confirmation hearings was the boat people and the Haiti development program. He made a trip to Haiti to discuss that with us. His approach to it was extremely constructive, extremely respectful, a model of a good management approach. I remember very distinctly meeting in the conference room with him and his basically saying, "I have a problem and you have a problem. You have a problem in Washington and my job is to try to help you solve your problem there. It is a problem for me what is going on here but my problem is going to be solved to the extent you are able to deal with your problem. So, my role is to help you solve that problem. So, let's talk about how I see the problem and how you see the problem and come up with something that we can do to address these concerns and try to solve the problem."

Well, unfortunately, Mr. Carter lost the election. And Jack Vaughan was never confirmed as the assistant administrator. The Haitian problem didn't go away. But a few months later, without consulting us at all, in his confirmation hearings, Peter McPherson, as administrator designate, allowed as how he was very concerned that the Haiti program wasn't getting the results that he would like from it and it would be one of his first orders of business to fix that program. The way he then decided to implement that was to send a delegation of four people to Haiti shortly thereafter to basically design an approach to solve that problem. This was done in consultation with us, but they were the ones who were empowered to come up with the recommendations. Needless to say, that was the first of what were to be several run-ins or disagreements I had with the Reagan administration and its conduct of AID business. I did not feel that that was an effective way of dealing with the problem or of empowering the staff or even respecting us. It

took me a long time and many years, despite Peter McPherson's positive contributions to AID, to form a positive image of him because of the way that issue was handled.

*Q: Were these appointees who came out or regular AID people?*

SMITH: Both. One was John Bolton, who was to become the head of PPC and General Counsel. I think this was his first overseas trip or certainly his first trip to a developing country. The other was a guy by the name of Sam Martinez, who was also designated to be assistant administrator for Latin America, but actually never made it to the confirmation process. Then there were Ed Coy and Phyllis Dichter, who were the other two people. Ed was the acting AA for Latin America and Phyllis was the deputy director of the Caribbean desk at that time.

This episode left a mark on me in a number of different ways forever. It highlighted for me some lessons for later management roles and also some lessons about empowerment, trust, responsibility and interaction between the political appointees and people on the ground.

I think in the Haiti program in those days you had bright points. The agroforestry project that I mentioned was probably the brightest of them all. There were, in succeeding years, some other kinds of private sector development programs that I think had a positive impact for a while, but I think the program was defeated by the magnitude of the problem and the deteriorating situation over the early years of the eighties and then complete chaos in the latter part of the eighties. I don't know that there is a whole lot that would remain there from those programs, with the exception of some of the voluntary agency programs.

*Q: Apart from the government and the wealthy elite, what impression did you have of the general population's view about development as such? Was it something that they understood or wanted?*

SMITH: In certain pockets, but I think that there was an impressive lack of trust and community spirit among people in Haiti, probably born out of a long history of exploitation, particularly during the Duvalier years. Never knowing whether you could trust your neighbor, tremendous exploitation, marginalized existence. This really made working with people beyond family units, efforts to work together in community organizations or efforts that would benefit more than individuals, extremely difficult to do. There was a real sense of distrust, of individualism. On the other hand, despite the obvious hardships and the tremendous, almost indescribable poverty and conditions in which people lived, there was a certain energy there, a certain entrepreneurship and creativity there without which people would not have survived. So, there was something to tap. But it was by far the most difficult situation and environment that I worked in.

There were a couple of threads in my Haiti experience that were also ones I mentioned for Bolivia. In Haiti, as in Bolivia, although perhaps not so widespread, I had the good fortune of working with a number of really good people. Among them Aaron Williams and Stacy Rhodes, who are both mission directors now in AID. Bill Rhoads was the assistant director and my direct

supervisor. Linda Morse, now director in India, was a recent IDI in the health office. So, I had a good core of people, at least in my immediate circle, to work with. This really helped in coming up with some of the programs that we did and some of the approaches that we did to deal with the situation.

The other is that, again, because of a series of transfers and moves and other kinds of things over the two and a half years that I was in Haiti, I moved up through the ranks, mostly on an “acting” basis. At the time I went there the project development and the program offices were divisions under an assistant director who was Bill Rhoads. In the end, we in the project development division ended up doing a lot of the traditional program work, the strategies and those kinds of things as well. Less than a year after I arrived in Haiti, Larry Harrison, who had been the mission director, left and went to Nicaragua where he became the mission director after the Sandinistas took over there. Al Furman, who had been deputy director, became the mission director, and Bill Rhoads, in effect, became deputy, although officially he remained “assistant” director. When Bill left in early 1981, I became the acting assistant director, but because of travel and illness, for most of the last couple of months I was in Haiti I was the acting mission director. The first half of 1981 was tough. That was when all of the business with the McPherson group was going on and I probably took that more personally than I should have, but that was one of the reasons it still sticks in my throat as much as it does. We were trying to make things work as effectively as possible and I was just coming into a position of broader responsibility in the mission and yet there was little willingness to work with us, listen to us or even involve us.

I was actually a candidate to be the permanent deputy director there in 1981, but that did not work out. One of the things that happened when the Reagan administration came in was a freeze on all transfers, in expectation expectation of budget cuts. It looked as if I would be staying in Haiti for another two years, which would have been okay, even if I hadn't become deputy director. Things went back and forth for several months, and literally, it wasn't until the day my wife and sons were leaving Port-au-Prince for what they thought would be home-leave-return-to-post that the decision was made that we would be moving back to Washington that summer of 1981.

### **Return to USAID/Washington to the Development Resources Office for Latin America - 1981**

*Q: What did you do in Washington?*

SMITH: I came back to be the head of the Central America finance division in the Development Resources Office in the Latin America Bureau (LAC/DR).

*Q: Back to where you had been before?*

SMITH: When I was there before I had been an IDI in the South America finance division, and this time came back to head up the Central America finance division, which I really looked

on positively. I had worked in the South America finance division, had lived in Bolivia and Brazil growing up, and had worked in Bolivia, so felt I had a good feeling for South America. I had spent the last two and a half years in Haiti, which while not entirely typical of the Caribbean, gave me some sense of some of the development issues and questions in that part of the region. But I had not been involved much with Central America, so I looked to this as a way to kind of round out my experience in the region and to build on the lessons and activities in other parts of Latin America and bring them to bear on Central America. That was good in theory, and to some extent it worked out pretty well.

I think, though, that my timing was just off in terms of the kind of programs that I wanted to become involved with. Here is where Norm Sweet's words, when I was talking with him about the reasons I wanted to leave the Laos program and move to the more development focus of Latin America, came back to ring true, because 1981-82 saw the beginning of what were to be very protracted conflicts and, very politicized AID programs in Nicaragua and El Salvador, and to a lesser extent, Guatemala. There were massive amounts of resources as a result of the Kissinger Commission, and a much greater focus on private sector development, on economic support funds as part of our assistance programs throughout the region. The Central American programs in those days probably resembled quite a bit the Laos program of the early seventies.

It was a difficult adjustment for me coming from Bolivia and Haiti and the kinds of development issues we were dealing with there, to the much more politicized environment of Central America. One of the symbolic events that really was upsetting was when the US refused to provide disaster assistance to some flood victims in Nicaragua because of disagreements that we had with the Sandinista government. I think that was something of a symbol of the times and something that was very unfortunate.

As a result, during the two years I was in that position I ended up focusing mostly on the Costa Rica program, and to some extent, Guatemala. I got very actively involved in a lot of the finance and economic support programs that Costa Rica was beginning to undertake at that time. This was the beginning of the economic support program which became massive in the eighties, and I think tremendously successful.

*Q: What were you trying to do with the program?*

SMITH: It was really to help bring about some major structural reforms in the Costa Rican economy. To orient the economy more to foreign trade and to free markets and to the policies that would support non-traditional exports. To cut back on government subsidies and budget deficits. Getting the policies and incentives right for private investment. Trying to provide stimulus to non-traditional exports from Costa Rica to the United States. Those were the key elements of the economic support program there.

In addition, those were the days of the tremendous debt problems that affected Costa Rica, as well as much of Latin America and the developing world. I got involved in a number of

programs, including one with COFISA, a private industrial finance corporation that AID had helped create in the mid-sixties and had been a direct recipient of two or three AID loans. There was interest on AID's part in preserving its investment and in the payment on those loans, which were still being made. We also hoped COFISA could become one of a number of private financial mechanisms that could help finance and facilitate this non-traditional export orientation. Other programs there included the creation of a private export bank, and other banking, financial and technical assistance facilities, which together would help support a new non-traditional export structure.

*Q: How were we doing all of these things? Designing separate projects for each one?*

SMITH: A lot of it was done with separate projects and a lot of it was done with local currency generations from the ESF programs.

*Q: Were you involved in local currency programs?*

SMITH: Yes.

*Q: They were approved in Washington?*

SMITH: They were approved in Washington in a general way as part of the overall economic support program packages. I went down to Costa Rica three or four times during this period on TDY to work with the mission to help design some of the projects and ESF proposals. The director of the mission at the time was Dan Chaij, and the deputy director was Bastiaan Scouten, both of whom I had worked with in the Bolivia mission. We had a good relationship and I was able to play a role from Washington in helping the mission to design some of those programs. This opened up a whole new world to me, the private sector finance area. In fact, I represented AID at a couple of meetings between COFISA and its creditors about rescheduling their debts. This was quite a new experience for me and added a new dimension to the development work that I certainly hadn't had.

*Q: Were these meetings with local or US businesses?*

SMITH: Both.

*Q: These were mostly commercial debts?*

SMITH: Yes. Although, the treatment of the US government debt through the AID loans was part of that whole process as well.

So, that was a kind of interesting time in those couple of years. I also visited Guatemala two or three times in a similar kind of role, working with their programs from an AID/Washington backstopping standpoint, but also on a couple of occasion helping to identify and put together new programs. One was to have been--it didn't really take off--helping to establish a market for

agricultural lands that would allow large land owners to sell some of their underutilized holdings and to allow small holders to purchase land.

*Q: How was that to take place?*

SMITH: The idea was to do it through a commercial mechanism that would finance both ends of the transaction and in a way try to begin to deal with the tremendous disparity in land distribution in Guatemala.

*Q: Supply financing to the large holders and to the small holders too?*

SMITH: Right. But, in the end that was too radical an approach for Guatemala at the time.

*Q: Not accepted by the government?*

SMITH: The commitment of the government to that extent of land reform or asset redistribution was not there and there were a lot of other issues--social, political and economic--in Guatemala in the early eighties. This was the period when the civil war was at its peak and there were civil rights abuses, killings in indigenous communities, and the environment was not really conducive to undertaking programs that had a longer term benefit or objective of evening out the distribution of wealth in the country.

*Q: Are there projects that you haven't mentioned that you felt particularly interested in?*

SMITH: None in particular. I guess the other feature of those times was the whole event of the Kissinger Commission, not that I played a particularly important or big role in it, but because my responsibility was Central America, I was able to work closely with the Central America desk and with the economic staff in the Latin American bureau program office.

*Q: Did you participate with the Commission at all?*

SMITH: Yes, in some of the early proposals for an expanded assistance program in Central America that would take advantage of increased funds and increased attention on Central America.

*Q: What was the objective of the Kissinger Commission?*

SMITH: Well, the objective was to deal with the insurgencies and the wars that were going on at the time and I think, in a kind of cynical sort of way, to support our "friends" through AID and development programs, many of which were economic support programs aimed at broad economic policy reforms in those countries, as well as, at least theoretically, trying to deal with some of the underlying causes of the wars and conflicts in the region, the poverty that was feeding those conflicts. In my view, the result of the Kissinger Commission turned out to be a very superficial effort of throwing money at a problem, of designing things in Washington in

response to an administration, and to some extent, Congressional interest in dealing with a hot war (as well as a cold war) situation. It never really, in my view, adequately took advantage of the potential for beginning to work with governments and others in Central America to begin seriously to address the development issues that underlay a lot of the region's problems.

*Q: That would have taken much more time.*

SMITH: It would have taken more time.

*Q: Less money immediately.*

SMITH: Yes, and that is not what people are interested in. I think that was very discouraging. Despite some things that I enjoyed working on in Guatemala and Costa Rica, I felt the programs in Honduras, El Salvador, and especially, Nicaragua were very politically driven. I know people who worked there, who I respect and think highly of and they felt they were doing a good job, certainly a necessary job. However, it hadn't been my interest in 1974 to become involved in that kind of program, supporting short term political interests with regimes which were not really carrying out programs that were in the best interests of all their citizens, but just happened to be our "friends" or to speak like they were, and I wasn't interested in doing that in 1982-83 either.

*Q: What do you think should have been done differently?*

SMITH: I think what should have been differently probably would have started at the top. I think the prescription for the problems of Central America was not to aid and abet by our assistance the ten years of war and conflict that occurred. I think that that prescription should have been to recognize early on that there were abuses on both sides, to recognize that the rebels in El Salvador and the Sandinistas in Nicaragua, to a certain extent had a point about the past failings of governments in those countries and that we were associated with those past governments. We should have acknowledged that and moved on to try to establish a more mature relationship with them that could have had more promise in addressing the needs of people instead of feeding a war and a political process which only now, ten or fifteen years later, the region is beginning to emerge from. There was such a tremendous waste of resources and life and opportunity in that time.

*Q: But the people perceived it as a real threat to US interests, the Cuban incursions, the influence, the communist threat, etc. Didn't that drive our policy?*

SMITH: I suppose it did, but I don't subscribe to that particular view. Communism clearly collapsed inward from its own weight. It was not a rival system that would truly threaten our own or our values. Not that the idea of a "communist threat" was made up, because I think people probably felt that strongly, but I don't feel that there was ever a threat. In fact, this may be my radical perspective from having spent my youth in Latin America, but there is a lot to the leftist critique about the role the United States has played in Central America and Latin America.

By helping prolong the wars and by the approach that we took to those problems in the eighties, we only further substantiated that view of the US, in my opinion.

*Q: Were there any aspect of the Kissinger initiative and resources that was effective in dealing with what the political issue was do you think?*

SMITH: I don't know if they were effective in dealing with the political issue. I do think that the focus that a lot of the AID programs took in those days on economic liberalization, structural reform, structural adjustment was a correct approach. Of course, most of these funds were provided for political reasons fundamentally, and there were often setbacks when some economic policy conditions weren't met and the funds were disbursed anyway. But, in the end I think these programs and the policy dialogue that accompanied them created a greater awareness of and capacity for economic analysis and a lot more credibility for the free market, private sector led development approach. And I think that was the correct one. And, I think too that in places like Honduras and places like Costa Rica, which were kind on the periphery of the main act, the quantity of resources and the development orientation of many of the AID people, particularly in Honduras, meant that a lot of development activities that wouldn't have been funded otherwise were able to get some resources. So, there is a silver lining from that. There are resources that were well used and have had a long lasting impact and I think the whole approach to economic policy has also been positive in the region.

*Q: Good. Anything else on that?*

SMITH: Yes. I had been for two years working in the Central America area, and as I mentioned before, focusing a lot of my personal efforts on Costa Rica and Guatemala. One of the things that I was also doing was getting involved in a fairly significant way in a lot of recruitment efforts that were underway, and assignment decisions for project development officers in the Latin America region. Each bureau had a representative who participated in the review of candidates for the IDI program and also for any mid-level entry positions. In the second year I was back in Washington I was asked to represent the Latin America bureau in many activities related to the recruitment of new project development officers. I regarded that as an important part of my job, participating on the panels that reviewed candidates and interviewing candidates in the selection process, particularly for IDIs, but also some mid-level entries.

In 1983, after having been back for a couple of years, I moved up to be the assistant director for development finance in LAC/DR.

*Q: That was a unit within LACDR?*

SMITH: It was basically the head of all of the project development offices. In those days LAC/DR had a director and deputy director and two assistant directors. The assistant directors respectively oversaw the project development staff and all of the technical staff, which in the Latin America bureau were part of LAC/DR office. The assistant director for finance oversaw

the three subregional project development offices as well as a private sector office that had been created in the early eighties. It was the counterpart to the other assistant director, who oversaw the technical offices that were part of the office.

The recruitment and staffing function was a big part of that job. While as the Central America finance division chief I had been phasing into that role, when I became assistant director that became more formally part of my responsibilities. This was something I really enjoyed doing and to some extent was, I suspect, a counterpoint to some of the frustrations and dissonance I had been experiencing with the Central American programs.

*Q: What were those things you enjoyed doing?*

SMITH: I really enjoyed the process of interviewing candidates, of talking to people and of trying to think about the kinds of people who would be good for the agency in the future. What kind of person would be successful? What kind of person would bring the right combination of skills and attitudes to the job? In a sense, trying to create the future generation of agency officers, officers who would be good for the agency, at least as I saw it.

*Q: What were some of the criteria that you were using?*

SMITH: A good sensitivity for development issues from a technical standpoint, but also for the communication, cross-cultural understanding, working with people in different cultures. I was looking for experience like Peace Corps and other work experience where people actually had an opportunity to work in cross-cultural situations and to do well in that. But, there is also an almost intangible notion of the personality, attitude and approach, of collaborativeness, a positiveness, a willingness to work sometimes under adverse circumstances, but in a positive and enthusiastic way. A lot of people have resumes or applications that look very good and similar--in fact, one of the things that I often remarked on was that given the quality of the candidates that we were looking at in 1983-84, I don't think I would ever have been competitive with that group had I not come into the agency ten years earlier. It was a somewhat humbling experience to look at the very vast, excellent experience that a lot of our candidates had. But, to get a chance to talk to people, to interview them and to get a sense of their personality and that kind of intangible fit, I think was a really interesting part.

*Q: This was a panel process was it?*

SMITH: Yes. But, what I think I enjoyed most in this process was really working with the people once they were hired to help the early part of their career go well. Part of that was the more traditional guidance or career development role, but part of it was looking for opportunities for them to play significant roles. In this, of course, I drew a lot on my own experience that we talked about earlier, where one of the things that gave my career a tremendous boost at the beginning was to have responsibility and a very positive initial experience in the agency. So, what I tried to do from that position was to give those kinds of opportunities to the people who were coming into the agency at that time as IDIs or mid-level hires.

There was one specific thing we did at the time and I don't know if I had any particular plan for it, but it turned out to be a very successful little activity. During the same time I had been the Latin America representative on several of the AID project implementation courses that were offered throughout the world. In those days each bureau typically would send a representative to the course that was held in their region, and I had done this a couple of times and actually had done some of the sessions myself in the training course. As a result of that, I had the materials for the project implementation course. In 1983 and early 1984, there was a fairly large number of people who were coming into the Latin America bureau as IDIs or mid-level hires, not only project development officers, but in some of the technical areas as well. So, we put together a little lunchtime seminar series. There were about eleven or twelve people who were in that status and about eleven or twelve topics that we drew on from the project implementation course curriculum and other materials I had collected. I was kind of the counselor or the resource person for that. Instead of actually doing the course myself in the normal sort of lecture fashion, what we basically did was to divide up the topics among the new people themselves, so each of the IDIs or new hires took one subject on which they prepared the training session with the materials that I had.

*Q: What were the topics?*

SMITH: They ranged from the procurement and contracting process to the project design process, the evaluation process, developing scopes of work for contracts or evaluations, the financial management and accounting side of things--basically the curriculum that was in the two week project implementation course. Each of the new people took one of those topics with the materials from the course and supplemented by other things that I had available, then gave one of a series of two-hour lunch time sessions on that topic. I think that combined two things. Ideally, it transferred some of that information to people as they were beginning to work with some of those project implementation issues. And it also gave each of them an opportunity to go into depth in some area in order to prepare their own presentation. I think it was a much better learning device than having someone sit in front of a table full of people and tell them about it, because it required each person to become a sort of instant expert in one of those fields of implementation. The sessions were open not only for the people who were this group of IDIs and mid-level hires but to anybody else who wanted to attend. Obviously, there are certain drawbacks to having people who were not subject area specialists give a presentation, but there were a couple of us there to help support them with examples or clarifications or that kind of thing. It worked very well. Several years later I got some good feedback from a couple of the people who had participated in that little seminar series, who told me they felt it was something of a model. Not only did it work very well in terms of communicating some of the topical information, but as an approach it was very good and a model for them.

That was one of the highlights that I look back on during that period of time. I think that is really symbolic or representative of the role that I tried to play in those days vis-a-vis some of the new hires. Trying to give them more of a nurturing environment and a supportive start to their careers.

The other fun thing about that was that, mostly through the recruitment process for IDIs, I had a handful, not very many people, who were at the top of my own selection list who I pushed hard to get them to come into the agency, and they did. Ten years or so later, looking at their careers and the success they have had, sort of makes you pleased that in one small way you had something to do with them coming into the agency and hopefully getting them set on the right path. So, there are a handful of people who in a sense I have a fatherly image towards, and it has been fun to watch their success.

*Q: Do you want to name names?*

SMITH: The three people that I most think of in that regard are Liz Warfield, who was a project development officer in the Latin America region for several years and is now working in the Asia Near East bureau. Carlos Pasqual, although I never worked with him, was an IDI in that period and had an extremely successful early career in the Africa bureau and then was one of the key people in the former Soviet Union program. Maureen Dougan is the third, and again she has spent most of her career in the Latin American region as a project development officer, but more recently has been over in the Middle East in the Gaza West Bank program and I think is now back in Washington, although I am not quite sure. Each of them in their own way has been successful and it has been really interesting for me to cross paths with them at different times over my career.

About this time there was a major turn in the road in my career. Despite what I have just been talking about, the positive work with new employees, my dissatisfaction or feeling of intellectual distance from the main thrust of the Latin America program in the early eighties was growing to the point that I really seriously considered leaving AID. In fact, I sent a resume to another organization in response to a job advertisement. In putting together that resume I went back through all of my annual performance evaluations of the previous ten years as a way of recalling the things that I had done. And upon reflection, it seemed that I had done reasonably well in my first ten years at AID and maybe what I should do rather than leave was to try to see if there is another part of the world where AID is doing more of the kind of development work that I was personally interested in.

*Q: Disenchantment related to the politicization of projects?*

SMITH: Yes. The politicization of the program, the emphasis on economic support kinds of activity. At one level I don't have a conceptual or philosophical problem with those sorts of programs, it is just not what I really enjoyed doing. We had heavy emphasis in those days on private sector development. That often meant programs, certainly in Costa Rica, for example, focused on big businesses, the more established financial sector kinds of businesses. I am not saying those are unimportant for development, it is just not what I personally enjoyed doing and not what I had envisioned as my life's work. I think I had done reasonably well dealing with those programs, as I mentioned before, but it wasn't what I really wanted to do.

*Q: Did you have a particular view about the role of private sector, or was it just the nature of that particular activity?*

SMITH: The private sector, the private business sector, is certainly a major player, maybe the major player, in the end in development. I have had--and again this goes back I suppose to my early formative years living overseas as a rich American in impoverished countries-- a real aversion to conspicuous consumption, to working just to earn more money and that kind of motivation which, to some extent, is much closer to the surface in the private sector than it is in government service or the non-profit world. It is just not what I was, not what I wanted to do. I had been involved in it in Haiti, Bolivia and elsewhere, in small micro enterprise business development programs, and that sort of aspect of the private business sector was more consistent with what I enjoyed doing. And, of course, the private sector in its more generic sense includes the whole range of private non-profit organizations and certainly that side of things is something I very much believe in and support and wanted to work with. But, the large finance companies and the large trading companies and trying to engage medium to large size US businesses and to benefit them in a fairly explicit way from our AID programs was not something I wanted to make my career doing.

Through some former colleagues, and also through the contacts that I had made with people in other bureaus from my activities related to recruitment and project development officer assignments, I learned of a position that was open in Swaziland. It was a combined program/project development officer position. From my Haiti days, I had done a lot of program work, strategy development and budget planning activities, so had some of that background and enjoyed that work as well as more specific project design and oversight of project implementation. There were a handful of countries in Africa that one hears about over the years as being nice places to live and work and Swaziland was on that list. So, I enquired a little further and made some contacts, and in the spring or early summer of 1984, the deputy director from the Swaziland mission was in town and we had lunch. To make what could be a longer story short, I ended up going to Swaziland in the late summer of 1984.

It was pretty traumatic in a way to do this. Having "grown up" in the Latin America bureau, which was a pretty insular bureau to start with, and the project development officer corps within LAC was even more so. I think we all kind of grew up with the idea that we were the shock troops of the most innovative and creative and fast moving bureau in the agency. And having been someone who had risen pretty quickly in the ranks there and occupying in fact the most senior project development officer position in the bureau, the position that Buster Brown had occupied when I came into the bureau, it was a bit of a shock to a lot of people that I would leave and go to Africa, of all places.

*Q: Before we go on to your Swaziland tour, I meant to ask you earlier a little about the Latin America bureau as you saw it at that time, its structure, leadership, etc.?*

SMITH: As I was saying, I think there was a view by those of us in the bureau that this was the lead bureau, and Buster Brown, my earliest mentor in the agency, I think was the biggest

cheerleader for that view and that approach. At that time the Latin America bureau had the largest budget, certainly on the loan side of the program, and people in the bureau really took a lot of pride in the fact that we were doing some of the most innovative and creative and forward looking programs in the agency.

In the late seventies the bureau fell on hard times financially, or in terms of resources. The Carter administration really put a lot of emphasis on the poorest of the poor, most of whom were not in Latin America but in Africa and Asia, and began to make resource allocations based on poverty criteria rather than other criteria such as where the best development projects were, etc. So, there was a falling off of resources in Latin America at that time. My own view of this is, and I have said this to other people, that in the early eighties the Latin America bureau sold its soul in order to regain the large quantity of resources that it associated with its culture and ethic from the sixties and early seventies.

*Q: How did it sell its soul?*

SMITH: This whole politicization of aid in the Latin America program that was reflected in the Kissinger Commission and other Reagan initiatives in Central America and the Caribbean in the early eighties were in exchange for regaining its prominence in terms of the resources. The bureau was willing to go along with some of the strings that were attached, strings which in my view were not developmental strings at all. In doing this, it was willing to compromise some of the development leadership that it had played in the seventies.

*Q: Did the Latin America bureau take on the basic human needs approach that came out of the Carter administration?*

SMITH: In some places it did, and, of course, the places I was, Bolivia and Haiti, were two of the countries in Latin America where that was most appropriate even if there hadn't been a basic human needs approach. But, I think there were a number of people in the bureau and in the bureau leadership who were perhaps more comfortable with the capital development days of the sixties and and never particularly bought into the basic human needs approach, and were more pleased with the turn of events in the early eighties and the private sector initiatives and those kinds of things than I personally was. I was quite content with the nudge that the basic human needs, new directions approach, gave to our programs in Latin America. In fact, when I first came into the agency that was just coming into full flower and I was pleasantly surprised because it contradicted a little bit the image of AID that I had had from growing up in Latin America and from studying development and international organizations and US foreign policy in college. But, I guess in some ways it was that period that was unique.

*Q: Were you involved in the shift from capital projects to the sector program which was an innovation that the Latin America bureau talked about a lot?*

SMITH: To some extent. We did some of those programs both in Bolivia and Haiti.

*Q: What did you think of that kind of approach as opposed to the capital projects?*

SMITH: To tell you the truth I am not sure I can really untangle that from some of the later history that I recall from my experience in AID. The few sector programs that I remember having been more closely involved with were largely just a packaging of individual activities. In relation to your question, with its comparison with capital projects, capital assistance, it is also hard to disentangle that from the basic human needs, new directions approach because I think a lot of the sector programs I was familiar with were a combination of ways to address a series of activities or projects that were more basic human needs oriented.

*Q: These weren't balance of payments assistance programs, they were focused on a sector?*

SMITH: They were not. There were some programs in the sixties and late seventies in places like Colombia, where there were sector programs, and some called sector programs in Brazil that by the time I came into the agency had been approved and were under way. Mostly, what I got involved in with those programs was more the programming of the local currency resources than the balance of payment side.

We will come to a new iteration of that as we get further down the road, because there is a variation or application of that in Zimbabwe which I think was excellent. But, I don't really recall having a lot of involvement with the sector programs in Latin America.

*Q: How did you view technical assistance institutional development and contrast that to capital development in the Latin America bureau? A lot of capital project officers seemed to have a different view of the technical assistance function. Was this a major concern in building up institutions?*

SMITH: What comes to mind as the concern, frankly, is a bureaucratic issue that up to 1973 or 1974, the program documentation for those two kinds of programs were different. The grants of the technical assistance program followed a certain documentation path and the loan projects followed a different one. There were different responsibilities, at least from the two generalists backstops within the agency. The grants in the technical assistance programs were largely backstopped by the program offices, whereas the loans were the domain of the loan officers or capital development officers who later became project development officers when the two systems were combined. In the early years, when I was just starting, this was one of the issues that came up a lot in reviewing programs. There were some tussles and struggles over who had what say over these kinds of programs. Then the documentation was combined and in Latin America, at least--and this was different from Africa as I came to find--because the dominant programs were the capital projects and the "elite" corps were the loan officers, what happened is the capital loan officer began to take over responsibility for projects which combined both capital and technical assistance. So in the early period when I was first in Washington and then in Bolivia, in particular, where a substantial portion of our program was loans, but were projects which combined into one project loan and grant assistance, these were something that the project development officer took responsibility for.

Because I came into the agency when those two were being put together, organizationally, I guess I don't have any of the historical perspective of when they were separate, so I have always thought of capital and technical assistance, even in the mid seventies when we were working with these programs, as complementary parts of the same thing.

*Q: Could you see technical assistance as an important part of the capital assistance?*

SMITH: Absolutely. Virtually all of the programs that we reviewed in the Latin America bureau in 1975-76, and all the programs that we designed in Bolivia in 1977-78, combined technical assistance and some grant assistance with capital assistance. So, it was always viewed as an integral part of the package, an essential part of carrying out the program. Now, having said that, I am not sure, looking back on that through the haze of 20 some years or so, that we always necessarily looked at those as a way of building institutional capacity to sustain the efforts that we were supporting through the loans. More likely is the fact that the technical assistance was regarded as something that was important to help implement those projects, but without necessarily taking a longer-term institutional capacity development perspective. That, of course, later has become a much more significant feature in things. But, it was always an integrated part of the program in virtually everything that we supported and financed, even the housing guarantee programs which were a different kind of financing but which still had a technical assistance grant element, not only for technical assistance contracts but also training and other grant funded activities. The grants were a significant and integrated portion in programs at that time.

In Haiti, that was much less the case because we didn't do any loans in Haiti. Haiti was on the list of least developed countries and was eligible, even when AID had loans, for all grant financing of capital projects. Then, ultimately, we provided most of our assistance in Haiti to private voluntary organizations, which traditionally have received grant funds. So, the distinction between loans and grants didn't exist in the Haitian program. But, again, even when we were carrying out funding programs like a credit program, rural road program, etc. there was an integration of capital assistance for equipment and construction and credit funds with technical assistance to go with it. So, it has always been in my AID experience an integrated package.

*Q: One other question about Latin America and then we will go on to Swaziland. The Latin America bureau was rather unique in having this back to back integration with the State Department. How did you view that from your perspective in LAC/DR?*

SMITH: Actually the integration literally existed at the level of the country desks and so the Central America desk for State Department and the Central America desk for AID were literally the same one. The director might be a State Department person and the deputy an AID person. I can't remember when that actually stopped being the case. I think it was probably about the time I came in in the mid seventies. But, in any event, in other offices of AID in the region, the DR and DP offices, there always was a separation because there wasn't a counterpart office in the State Department. It is interesting that it was after the literal separation of the AID and State

offices in the early eighties when, in many ways, the combination was actually stronger than it had been earlier because of the highly politicized programs in Central America and the Caribbean. AID, I think, was much more an instrument of American foreign policy and, in that respect, integrated with the State Department in Latin America in the early eighties after the physical separation had occurred than it had been in the seventies when AID was pursuing the new directions mandate that the State Department folks weren't really interested in and didn't see much value in. So, in some ways the integration was closer than after the physical integration ended.

Other perspectives I have on it were from my father who worked on a desk in the late sixties in the Latin America bureau, after we came back from Brazil. But, I don't have any personal recollection.

*Q: Let's go on to Swaziland now.*

### **Change of region and assignment in Swaziland as program/project development officer - 1984**

SMITH: I have a couple of overview comments first, if I may. Moving to the Africa bureau was a shock to me in a couple of ways, although without reservation it was a positive shock. I had grown up in my career in a certain system with a certain esprit de corps and succeeded in that system, and then I rejected it to go off to someplace else. Within the Latin America bureau, frankly, in the seventies and early eighties, Africa was kind of the lowest place around. That was not the place any self respecting person would go. So, I had this image of having separated from a certain part of the family, and this can lead to a questioning your own motives: did you do the right thing? and all of that. So, at one level there were issues about what kind of mistake I was making in doing this. But, at a different level I felt very good with that decision, because I really did have growing differences of view with priorities and the kind of programs that AID was undertaking in Latin America. And looking back, it was not unlike my breaking the mold and successfully getting out of the Laos assignment in order to go to Latin America, which in those days was doing the kinds of programs I wanted to do. Well, ten years later I did the same thing, but this time out of Latin America and into Africa.

One of the things that has always pleased me in that regard, is that there was a kind of a validation of having done the right thing and maybe providing an example for other people. There were two other people, who I think very highly of, who had also been very successful in their own careers and had pretty much grown up in that same Latin America system, and in the next couple of years they made the same kind of move away from the bureau to the Africa bureau. They are Carol Peasley and Wendy Stickel. Carol, I think, is still deputy assistant administrator in the Africa bureau and Wendy is the deputy director out in the regional mission in southern Africa. They are people with whom I had worked very closely. In fact, Carol and I sort of traded positions for a while. She had been the Central America finance chief in LAC/DR before me and I came in to replace her. When I left as assistant director in LAC/DR in 1984, she came in and replaced me. Within a couple of years, both Carol and Wendy left

Latin America bureau and went to Africa, and that sort of validation is something I have always taken some comfort in. I don't know if what I did was a model for them or made it easier for them to do the same kind of thing, but in some ways I think it might have been and that gives me some satisfaction.

On a different level, going to Africa and getting out from under the stress and dissonance that had been growing with my experience in Latin America was refreshing, and Swaziland was an excellent place to go. There was an excellent mission director, Bob Huesmann, who was very supportive and an excellent manager. Perhaps more important than that, he was just an excellent person. There was a fantastic group of people. A lot with young families. Our children were five and eight when we went to Africa and there were similar aged children there. It was an excellent family place, quiet, a small town and all those kinds of things that many people would not like. But, for us, I think without reservation, Swaziland was the place, the country, where we have been happiest living in my career. When asked my favorite post, I guess the honors are split between three places and they are the next three places, Swaziland, Zimbabwe and Ecuador. But, the Swaziland contribution to that was from an all around life style and living comfort, not so much material comfort but a "fitting-in" kind of comfort, and a family place and good community, and gets top honors.

Another general comment before going into more specific things related to the Swaziland assignment, I was quite surprised to learn, despite the sort of indoctrination from my ten years in Latin America, that, in fact, there were innovative things going on in Africa. My own opinion very quickly became that the Africa bureau, in fact, had taken (or maybe always had) a leading position within the agency in doing some very creative, very innovative kinds of programs. It was a different kind of place, a different kind of ethic. In Latin America there were more resources, more intellectual resources in the counterparts, more things that you could do, the region was more advanced in terms of the possibilities for development programs. So, in a technical kind of way on the development continuum perhaps you could do some more advanced things. But, somewhat counterbalancing that, it was established, it was routine, the countries themselves had been independent for 150 years or so, so there was no real dynamism around of being a new country, quite contrary to what you found, at least in the countries we were assigned, in Africa. The missions in Latin America in many cases had existed for 30 or 40 years and had built up large staffs of very competent local people, and while there are definitely some very positive benefits to that, a consequence is that they become very routinized, very structured, very bureaucratic. This didn't exist in a lot of the African countries, where the missions were small because there weren't a lot of trained, highly educated local professionals, or if there were, you were competing directly for them with the organizations you were trying to support and to build. The missions didn't have the depth of local talent, but also didn't have the rigidity or the structure that sometimes exists with programs or offices that have had a long history. So, I found at a program level, an innovation level, and a way of doing business level, a completely refreshing dynamism in the Africa bureau, which I didn't expect to find at all. I left Latin America looking for and thinking I would find programs that would be more basic human needs oriented, more poverty oriented. I did find that, but also a lot of intellectual stimulation, a lot of creativity, a lot of flexibility that didn't really exist in the Latin American region or programs.

So, some general impressions of the region. I had been a person up to that point, and as part of my upbringing in the Latin America bureau, someone who strongly advocated against cross-regional tours. I had felt that there were advantages to regional specialization, especially in terms of language, and that this idea that popped up from time to time that agency officers could benefit from experience in more than one region was nonsense and that one should specialize. Well, it didn't take very long for me to come to a completely different view of that, and I have since believed that one can learn a tremendous amount by working in more than one region, and that one can get insular, can get to a point of not questioning the way things are done, if you just stay in one region. I have benefited tremendously from the move to Africa. I was able to bring to the Africa program some of the perspective and experience that we had had in Latin America, but I think much more importantly as it turned out, when I went back to Latin America, to Ecuador, a few years later, I was able to bring to Latin America a new way of thinking about things.

*Q: Such as what?*

SMITH: Such as creative approaches to project design. It is interesting to say that because, again, in Latin America we had taken pride in being creative project designers. I found that not to be the case. We will get into this in Swaziland and in Zimbabwe, where I think we were doing some really fantastic things that in Latin America nobody thought of. This was also true with the whole question of staffing, of doing more with less, a term which was just beginning to be widely used in those days. For a variety of reasons, the African programs were achieving that in a way the Latin American ones were not. There were a lot of opportunities, I think, for looking critically and constructively at the way we were staffed and the way we approached projects and our responsibilities in Latin America that usually by force of necessity in Africa just weren't possible. But, we will come back to that in more detail when we talk about the Zimbabwe to Ecuador move.

My Swaziland experience was good, not only because of the programs that we were doing there, but because of what was going on around us. Swaziland, as most listeners or readers will know, is a little country that gained its independence in the sixties but was dominated by South Africa, in fact surrounded on three sides by South Africa (on the fourth side is Mozambique), so was something of an island of tranquility in this apartheid-dominated world which was very much on the front burner in the mid-eighties. A lot of the assistance effort there--ours and the European countries and other donors in Swaziland--was mostly because it was not South Africa, and the same was true of Lesotho, and Botswana and several of the other countries. Swaziland had a population of about a million people. It was not a large or significant country. By African standards it was reasonably well off. It didn't have any major structural constraints to development. It had a resource situation that was fairly good. But, it received a lot of assistance on a per capita basis because of its physical location and the statements countries could make about apartheid by having an active assistance program in Swaziland.

We did some interesting programs in Swaziland and I will come back to that, but I want to introduce a couple of other things. In those days, 1984-85, we were just beginning to open up a direct AID program in South Africa. Of course, until the early nineties that was all exclusively with private organizations. We had been doing a few small programs out of Washington, but in 1984 we created the first AID representative office in Pretoria and that was the start of the South Africa program. Swaziland earlier in the sixties and seventies had been a regional mission. There was still some hold over of the notion that Swaziland could or should serve in a regional capacity for countries in the southern part of Africa, and so some of the early support for the South Africa program came from the Swaziland mission. That same is true of Mozambique. In 1984, Mozambique had disavowed its communist past, joined the World Bank and the IMF, and began to receive for the first time US assistance, mostly an ESF program, a large PS480 Title I food donations and a couple of projects as well. In 1985, we established the first AID representative office in Mozambique. That program, too, was supported out of Swaziland. So, it is interesting to think now, again with ten years of hindsight, that the seeds for the programs and missions which would become two of our largest, if not the two largest, programs in Africa--Mozambique and South Africa--were planted in 1984-85 during the time we were in Swaziland. The mission in Swaziland was a support mission for those programs and gave me an opportunity, in both cases, although more in Mozambique than in South Africa, to go on TDYs and to help begin to structure the initial programs in both of those places.

The Mozambique experience was probably most interesting because it was the first time in a long time that I had used any Portuguese, and having grown up in Brazil, I had the language but hadn't used it at all in over 17 years. The Mozambique experience gave me an opportunity to tap some of that and to use it again. Of course, the Mozambique program was literally quite similar to the programs that were underway in Central America that I had a lot of experience with, but the difference for me was the whole dynamic, the whole motivation for those programs was quite different in that Mozambique was a country that was just opening up to US and Western assistance. While they had changed course with their politics, there was still a real commitment there to the basic needs of their inhabitants. It wasn't a revolutionary change, it wasn't an over throw of a leftist government and replacement by one of a different kind, but more of a gradual shift, so there was a lot of the interest there in meeting the basic needs and focusing programs on poverty alleviation activities. That was, for me, a much stronger motivation for the economic support and PL480 Title I and other programs than was the case in Latin America, where I felt we were actually on many occasions supporting governments that did not have that sense of priority for their inhabitants.

And, in South Africa, there was a kind of moral satisfaction in trying to begin to work with organizations that were trying to change the apartheid system. The sense of being on the right side of these ideological issues was a very positive and refreshing change from how I viewed our role in Latin America. So, the Swaziland mission was at the hub of those two programs as they started out.

In addition to that there was a regional program in southern Africa, which still remains. That was channeling assistance through SADCC, the South African Development Coordinating

Council, , which was a loose organization of nine or ten southern African countries, trying to band together and coordinate on their development and other policies in reaction to South Africa and its economical and political presence and domination in the region. We had supported since the early eighties a program of assistance through SADCC that was headquartered out of the AID mission in Zimbabwe. But one of the interesting things about SADCC was that they had made a conscious decision not to build up a new organizational superstructure above the individual country levels, and had divided up responsibility for different sectors among the countries that formed the organization. Swaziland was the country responsible for human resource development programs within the overall umbrella of SADCC. That meant that for AID's regional programs through SADCC, the agreements were actually signed with the countries that took lead responsibility for those activities within SADCC, and the AID missions within those countries had some oversight of those projects in coordination with the regional office in Harare. The regional office at that point basically had one person in addition to the director, who was the director for both the bilateral program in Zimbabwe and the regional program. So, the staff within AID mirrored the organizational approach of SADCC. One of the areas that AID was emphasizing in its regional program was human resource development and training, and those regional programs were also undertaken in Swaziland, and formally signed with the Swazi government. Thus, I had an opportunity to get involved in some of the design and oversight of those regional programs, because of their location in Swaziland.

So, while it was a small country, Swaziland had a fairly large AID program, relative to the size of the country because of the political circumstances, and then there were other interesting things going on in the region--South Africa and Mozambique and this regional program--that really made that experience a multi-dimensional one for me. It was a way for me to expand horizons and experiences and, in some cases, draw on the Latin America experience, particularly with respect to Mozambique.

Within the Swaziland program, itself, there were two activities that stand out that I was more directly involved in. One was a small grant to a private voluntary organization in Swaziland's main industrial city, Manzini. It was a small, church based, community development organization that had done a lot of work with small business training programs. We started a relationship with them that eventually resulted in a small project to help them expand.

*Q: What was the name of this organization?*

SMITH: I don't remember off hand.

We developed a skills training and small lending program for small scale businesses in Manzini and other places in the country as well. That was interesting. It was a new program for that portfolio. I wasn't there long enough to see it into implementation and to know how it played out, but from what I hear, it was successful and was a channel for helping a number of businesses in that area.

The more significant project that I was involved in was a large, integrated maternal and child health program, primary health care project. One of AID's emphases in Swaziland for a number of years had been health and population. So, there were a number of previous efforts to draw on, but the maternal and child health programs were coming to a close and one of the tasks that we had was to design a new follow on project to those activities. I don't know that this in the end was particularly successful for a couple of reasons. One, and the one I will talk more about, was the AID reaction to what we came up with. The second was that the leadership in the health sector in Swaziland was very shallow. There were two or three people who were very dynamic and with whom we saw eye to eye on priorities and procedures and things, but when you have that thin a layer of leadership who were trying to change things for the better, it is a very fragile situation, and in fact I heard after I left there that a couple of those people left their posts for one reason or another, and the program itself somewhat floundered in the absence of their leadership. The project probably did not have the support of the vast majority of the ministry of health because we were trying to make some fairly significant changes in approach and practice. Our interlocutors had been the dynamic leaders, but once they left the scene, there really wasn't much leadership to give that effort direction or a boost.

But, the thing that I was more concerned with at the time was the project design process. Again, I look back at this from the perspective of the re-engineering that has occurred in AID in recent years. It has occurred to me more than once that in 1985 in Swaziland, in designing that health care project, we were substantially ahead of our time because what we put together there was not the traditional kind of AID project which costed out all of the inputs and presented in detail what they were going to produce and all of that. We started with a vision of what the primary health care system in Swaziland should look like and what are some goals or targets for service levels, for coverage, etc., that it should be in place at the end of the project. Then we said, here are a variety of activities that we think are necessary to carry out in order to accomplish these goals, but we don't want to sit down at the beginning and prescribe what the exact course is going to be because no one knows what it is going to be. What we want to do is to provide the resources, the vision, frame of reference and goals we are working for, but allow flexibility for people, the mission and the ministry of health people, to select the tactics as they are needed in order to reach those targets.

Well, Washington did not like this because we didn't have the ability to meet the 611(a), or whatever it is, regulation of making sure that our cost estimates were sound, because we didn't go through a process saying that this was exactly what we are going to buy and this is how much that is going to cost and therefore this is what adds up to a total amount of the project. We said that here is roughly the amount of money we have available and want to allocate to this, or we think is necessary to accomplish these things, but we don't know exactly how it is going to be spent. Here is a list of options or choices of things that it may be spent on, but we can't prescribe in advance what that is going to be.

When we presented that idea to Washington it got bounced back because we hadn't done our design work sufficiently and I think that was a tremendous setback. What I was saying before about the thin layer of leadership and the fragility of that probably remains the primary cause for

this effort not being as successful as it might have been. But, I also think the delay that was introduced in the process and the artificiality of what we then had to do, which was to go back and come up with the cost estimates in the traditional way, set back that effort by a year and therefore didn't allow us to take advantage of the leadership being there and begin to get things started and give them kind of a vote of confidence and flexibility to go with this that was part of the original concept.

*Q: You lost momentum.*

SMITH: Yes.

*Q: It would be interesting here to comment about whether there is a difference in the kind of leadership that is required between those two different approaches that you talked about, the one that is quite open and flexible and the other one which is quite blue printed and precisely detailed.*

SMITH: The difference I think would be this. With the more flexible approach, you need someone who can engage his or her counterparts (talking about the AID side now) in a constructive and frank but collegial partnership and dialogue. You need someone who is flexible and open and really has a good relationship, but not the kind of relationship that anything is okay, but someone who keeps in mind what it is we are trying to accomplish together and, of course, is familiar with the procurement and other kinds of regulations that exist and the strings that are attached to our assistance programs. That is a requirement in that kind of approach. I think that is the best way to work anyway. Even with the blueprint approach, I think those programs would work better with that kind of management approach, but it perhaps is not as necessary because in a sense things are all designed out and it becomes more of a monitoring the process.

But, to respond to your question about management styles. You can have a different management style and still get by with the blueprint approach, whereas you couldn't be successful with any other style with the other approach. Now, I don't think the blueprint approach works, period. So, to me it is not a question of a difference in management style. I don't think that the completely designed program, except perhaps for some construction projects which mostly we don't do any more, works. I think the kind of development programs that AID is involved in are not ones susceptible to a lot of advance implementation planning. They require flexibility, a degree of responsibility and a degree of ownership on the part of the people who are tasked with implementing them that you don't frequently get with a designed, turn-key type of project. In general, I don't think that the approach of packaging everything in advance and saying leave the implementation to somebody else works. That was, I suppose, one of the myths of my Latin America project development/loan officer upbringing, because we very much had the ethic in the mid and late seventies that the important part of the development process was the project design and if the project was designed well, it will work. I'm not sure I fully embraced that even then, but certainly from the mid eighties on I think exactly the opposite, that you can take a snap shot of where you are at a particular point in time--and it certainly is important to look very closely

at all the elements that go into a development effort and a program or project and to be very honest in completing your assessment of those factors--but that is all that it can be, a snap shot at that particular time. What you then need to do is to give flexibility and responsibility to people to keep those goals in sight and choose the tactics that work best under the changing circumstances that will confront that project later on.

*Q: Was there a difference in continuity or time frame for the public leadership function, on both sides?*

SMITH: Well, yes. I am not certain this responds to your question but let me say what comes to mind. One of the issues, I think, that normally accompanies the more detailed, advanced planning, concept of project design, is, at least in the AID world, and I am sure this is true at the World Bank and others, that there is a tremendous gap in time between all of the creative and intellectual energy that goes into developing the project proposal, and the time when it is approved, and agreements are signed, the technical assistance hired and implementation begins. There can be a year or longer between that during which any momentum that had been built up or any ownership that had been created or any commitment that was there from the host country side, has largely dissipated and gone, and sometimes the leadership of individuals who were involved in it has also moved on. Whereas the other approach, again I suppose it depends on where you choose that punctuation mark or where you take that snapshot in the process, is much more of a continuous process. There will always be a period of time between whenever AID or any other organization says, okay let's wrap this up into a proposal for approval and we then have to sign an agreement. I will talk more about this in reference to my time in Ecuador where we tried to get the AID approval of the project at an early enough stage so that the details of implementation planning could be done as the first step in implementation, not at the last step in the design. Not that we did this in the health care program in Swaziland, but it was the kind of program that was more susceptible to that than the traditional AID project.

If there is one single criterion or determinant in the success of development efforts (and there are many), that one would be the commitment on the part of the host country people who are your partners and who are carrying out that effort to what it is you are trying to do together. If you don't have that at the beginning, then the chances of succeeding are much less. A lot of people say that we will give them the money and that will buy their support, or we will work on that as part of the technical assistance effort. But, you need to have that at the beginning. Not that it can't succeed otherwise, but I think that is one of the major determinants of project or program success. You are always susceptible to how deep that commitment is. Is it the vision and commitment of one leader, even if it is the minister of whatever, or in this case in Swaziland, the minister of health and deputy minister? Both were high ranking people and in a position to make some broad institutional changes in the structure of the ministry, but one needs to be aware of the possible fleeting nature of that and to look to some extent below that and persuade people that what you are trying to do is something that is in their interest, and not really start it until there is a fairly good notion that they agree with that.

*Q: Did that health care project go forward?*

SMITH: The project eventually went forward. We didn't end up staying in Swaziland very long, in fact, we were there only 16 months. So, during the time I was there what we did was the initial attempt at the project paper that was rejected by Washington and by the time I left Swaziland in January, 1986, we were still working on the revised project paper to meet the Washington requirements. So, I didn't really see the project into implementation.

*Q: Were there other projects of note?*

SMITH: There were other programs that were going on. We had a large population program and we had a manpower development project which provided skills training, a lot of which was provided as scholarships or funds for participant training for Swazis to go to universities in the US. The mission did some interesting work there in forming an alumni society of returned participants and trainees that met at least once a year. It was a vehicle for us to stay in touch with people whose training we had helped to fund and who, of course, were expected to be influential in the development of the country. It gave us an institutional vehicle for doing that that I think was quite innovative. Other places in southern Africa were doing the same kind of thing. That was one of the areas which contrasted a lot with experience in Latin America. For example, in Latin America we financed a lot of participant training but didn't have any kind of vehicle for staying in touch with people, unless they happened to be working with our projects. So, here on a country level was an organizational structure through which AID could stay in touch with them. We also, I think, in that program provided some funding for people to buy books or computers or other things that would help them take advantage of their training when they came back into jobs in Swaziland. I think those were interesting and innovative aspects of what in my previous life had been pretty cut and dried and boring. Here there was an attempt to try to make participant training into a real development effort. In Latin America, most programs were training three people from this project or whatever, while in Swaziland this was a training program that took in the entire country with an application and screening process. There was a focus on getting a good cross section of people from different sectors, backgrounds and more of a view to how to have a long term impact on the development of the country, not just carrying out the implementation of a project that you happen to be financing.

*Q: What was your understanding of the Swazi culture which you were trying to bring development?*

SMITH: Swazi culture was very conservative. There were a lot of stereotypes that I had about Africa that were broken in these years, even though we had earlier traveled to Ethiopia and a few other countries in Africa in 1973. One was captured in a photograph that I took of snow on the hills of Lesotho during a vacation we took there. To see snow in Africa was not something that I expected ever to see.

Swaziland was a real interesting mixture of traditional and modern cultures. It is a kingdom. The head of state is a king. During the time we were there they were between kings, King Sobhuza had died and a young son of his had been named as heir, but he was out of the country in school, so there was a regency in place which made for a little bit of instability at the political

level. The traditional leadership structure of the king, princes and village chiefs was a lot more than window dressing. It was an integral part of the political dynamics of the country. But, by the same token, there was a modern, Western dimension to the government as well. Swaziland, being sort of nestled into South Africa, had a lot of business ties with South Africa, which definitely brought a number of modern influences with them. So, there was an interesting mixture of the two. Swazi society and culture were quite conservative, particularly with respect to women, their role and dress. In that respect, even though one associates a lot of Latin American countries being fairly conservative in terms of women's roles and rights, this was even more so.

The traditional Swazi culture was largely pastoral, largely dependent on corn production and cattle, and the environment was very conducive to that. Some of the poverty indicators, particularly with respect to education and health were pretty high, but living was not bad. There were not large slums. There were not homeless people. Basically, the geography and climate could sustain people at a fairly decent, if primitive, standard of living without much problem. As a result, there was not much dynamism for radical change to become more modern. So, part of the conservatism was cultural conservatism, but part of it too was that things were not so bad there. There was no real rush to become more modern. It was a kind of tug and pull between modern and traditional. There were large amounts of foreign assistance flowing into the country and the government could play one donor off against another. If one donor was insisting on a change to help create a better environment for development, there might be another one waiting out in the hall who is going to be less insistent.

When I went to Mozambique a couple of times, the contrast with Swaziland couldn't have been greater. The people and government of Mozambique were just coming out of a long period, ten years, of an inward oriented, isolated socialist, communist rule and a guerrilla war, which didn't end for some time after that. However, the openness to the West, an enthusiasm for doing things, for making a change in Mozambique was a tremendous contrast to Swaziland where things were quite comfortable and quite nice, and don't rock the boat too much. So, while we did some interesting things in Swaziland and it was a very pleasant place to live and to work, the environment was not a dynamic and alive one from a development standpoint.

*Q: You mentioned a population project. Was that something well accepted there?*

SMITH: It was reasonably well accepted. Again, within the context of a fairly conservative culture. Mostly it was a program carried out by a private organization program, focused on women and integrated to some extent in the primary health programs. It had been reasonably successful. There was the kind of opposition that you would expect from many traditional leaders. There was more attention given to traditional methods of contraception and not necessarily the modern methods. The program certainly provided pills and condoms and other modern methods, but also looked very creatively at how traditional methods of birth spacing and family planning could be used as well. It was a major and active program that we had, but one that had certain constraints on how far it could go. However, I think in the general scope of things it was reasonably successful.

Before I went to Swaziland, I had learned that the deputy director position there was going to be vacant. In fact, I may have mentioned that the person who had been the deputy director in the mission in Swaziland, Jimmy Philpot, went over in mid to late 1984 to be the first AID rep in Pretoria. So, that position was open. One of the things that I thought about in making this turn in my career from Latin America to Africa was that, in terms of level in the organization, the combined program/project development office job in Swaziland was at best a lateral move, and may have even been a step backward on the career ladder for me. But, when I learned that the deputy director position in Swaziland was going to be open and I was already selected to go there as the program/project development officer, I talked a couple of times to the mission director, Bob Huesmann, to find out if there was any possibility of me being considered to be deputy director there as well. In the end, it did not work out. I said, "Fine," and it was not a condition of my going there that I be considered for it. But once I had thrown my hat in to that ring, part of the process in being considered for the deputy director position in Swaziland was to go through what at that point was called the EPAP (executive placement) process, the process for screening and selecting the senior officers. Before I left Washington in 1984 I had made the rounds of people in Personnel who were responsible for executive assignments and had gotten my name thrown into the process. But, then when the job didn't come through, I went happily to Swaziland and didn't think any more about it.

But, one consequence of having thrown my hat in the ring was that I began, virtually upon arrival in Swaziland, to get calls about whether I was interested in other deputy director positions around Africa. I was successful in saying no to those, for a variety of reasons, for a while. First, because we had just gotten there and it was a very enjoyable place and we enjoyed the people we were with. I hadn't especially been looking for a senior assignment, just going through the EPAP process in case there was a chance of being considered for the deputy job in Swaziland.

But, the calls kept coming, and one of them was about the deputy director position in Zambia. I talked about this with Bob Huesmann, and we agreed that it would be a good move for me to make. However, I didn't want to move until the end of the year, 1985, but they needed a replacement for the deputy director in Zambia that summer. So, that didn't work out.

When I was in the States for a short visit during the summer of 1985, I talked to a few people in Washington about a variety of positions, again in an exploratory way, and had learned that the deputy director position in Zimbabwe was open or going to be open. John Hicks had been in that position and had left to go to Malawi as director. I sort of said that if Zimbabwe was a possibility I would be interested. I had been to Harare once or twice on some of the regional programs that I mentioned earlier and had fallen in love with the place instantly. So, I kind of threw my hat into the ring there.

Well, in September at the regional planning meeting for eastern/southern Africa that was held each year in Nairobi, Roy Stacy, the director in Harare, approached me and said he had been talking to Washington and basically--and this was the first time I had known of it--I was on a

very short list of candidates to come there as deputy director and what remained was for us to talk. So we did that. To make a long story short, in January, 1986, we moved to Harare, where I became the deputy mission director for the bilateral program.

### **Move to USAID/Zimbabwe as deputy mission director in 1986**

I mentioned earlier that the mission in Harare had responsibility for both the bilateral program in Zimbabwe as well as the SADCC regional program. Up to that point, the regional program had basically been handled by Roy as the director and Dale Pfeiffer, who was the regional development officer. But, in 1985 it looked like the SADCC program had become more established--I think about \$50 million a year was earmarked in appropriation legislation for the regional program--so the mission in Zimbabwe was reorganized to create two deputy directors, one for the regional program and one for the bilateral program, with still one director and separate regional and bilateral staffs. So the regional program would have a deputy director and staff that corresponded to the programs which they had, which were largely construction and engineering, whereas the bilateral program was more agriculture, human resources and training, so had a program officer, an agricultural and human resources staff. I went there to oversee the bilateral program.

While Swaziland was the country we enjoyed living in the most, Zimbabwe is and remains my favorite country, which is actually saying something because I grew up and liked Bolivia, and we also enjoyed Ecuador quite a bit, but Zimbabwe stands apart from that; it was a case all its own. There were the physical attributes, just the natural beauty and the wildlife, etc., which we very much got involved in and enjoyed during our time in southern Africa, and especially Zimbabwe. But the other thing that made it stand apart was that I felt we had the most appropriate, innovative and best AID program that I saw in my career. In large measure, that was what motivated my interests in going there in the first place and to have an opportunity to be associated with that program was a great opportunity.

Zimbabwe became independent in 1980 following 15 years of war after Rhodesia issued its "Unilateral Declaration of Independence" from Britain. In 1980-81, with the coming of the Reagan administration, there were not a lot of funds for staff or for expensive programs in Africa. The "more with less" theme was being sounded, as I mentioned before. Both the portfolio of projects and the structure of the mission in Zimbabwe were designed from the outset to be streamlined and to economize on the staff needed to implement it. I have thought a lot about this, and don't really know how much of the success or nature of that program was due to the fact that Zimbabwe had, as a legacy of both the British colonial period and 15 years as Rhodesia in the UDI period, very well established, public administration structures and procedures and generally very well trained government employees. In that respect, it was much more like Latin America than probably any place else in Africa, in terms of the quality and capabilities of the public administration.

In addition to that, following Zimbabwe's independence there was a huge return of people, Zimbabweans who had been living in Europe or North America, who made a personal

commitment, sometimes at great costs to themselves and their careers, to come back to their country and try to make independence work. To try to realize the ideals of independence and the struggles that many people had fought and died for. So, there was a dynamic there, an enthusiasm, a commitment of people, many of whom had come there at substantial cost to themselves to try to make things work.

And, the priorities that the government had were the priorities that AID had in terms of agricultural development, health care, education and the basic human needs efforts. To a unique extent, I think, in my experience, there was a coincidence of views on the development priorities and development programs and development approaches at that time. Those factors allowed the design of a program which was substantial in size. The commitments that were made as part of the Zimbabwe independence negotiations and agreements were for \$75 million a year for three years, a package of \$225 million over the early years of 1980s. Substantial resources, on a par with what was happening in most of the Latin American countries. And yet, the programs were designed as a combination of non-project and project assistance in a way that allowed flexibility to respond to local circumstances when they came up.

The key programs were a commodity import program that provided machinery and capital equipment that was very much needed by Zimbabwe because of restrictions that had been in place throughout the Rhodesia period and were still in place because foreign exchange was rationed and controlled. There was an agricultural sector program, a human resources or education sector program, and a family planning program. Those were the four key programs through which this \$75 million a year was channeled.

Both of the sector programs had a combination of non-project and project assistance. There was a large CIP (commodity import program) portion, which generated local currencies. In the agriculture program, the CIP was limited to commodities for the agricultural sector. The "project" portion funded technical assistance that which was available to complement the local currency generations. Project funds also financed some commodity purchases that were directly related to program activities.

The agricultural program, I think, was the most interesting, but was similar to the other ones as well. There was a coordinating committee chaired by the ministry of finance, on which the ministry of agriculture and a whole range of government agencies that were involved in the agricultural sector were represented. AID was involved as an observer, a participant but not a full voting member. There was a \$45 million program, \$30 million of which was the commodity import program that generated local currencies, and \$15 million was for technical assistance and other dollar costs. Those resources, in effect, were all put on the table and government agencies, mostly, but some private ones as well, could put together proposals for the use of those funds. These proposals had to be designed to achieve goals that were set within the context of the program for the whole sector. So, the design of the program identified, I don't remember exactly how many, but let's say five different areas, different subsectors, or outcomes or goals, that the program had, that were Zimbabwean goals as well as our own. A process was designed for agencies to propose individual project activities that would make progress towards those goals

or be in those sectors. This committee then reviewed the proposals and allocated the resources to them based on whether they needed local currency or dollars or a combination.

*Q: What was the over all goal?*

SMITH: The focus was on agricultural development and within that, as I recall, to develop commercial agriculture by African farmers, to diversify crop production, to expand the research and extension activities in agriculture aimed at African farmers. The vast majority of commercial agricultural output in Zimbabwe was, and I think still is, produced by a relative handful, about 100,000, white commercial farmers--maybe not even that many. Of course, the vast majority of the population historically had been disenfranchised and put on the least productive land. So the real focus of the program was to try to expand agricultural opportunities to the majority of farmers in the country. The Commercial Farmers Union, the white farmers union, and other groups were also partners in that process. So, there was a real attempt to try to bring into the process the experience and resources of the white commercial farmers as well. Our focus was on improving research and extension, crop diversification, commercial crop production, training programs at the university.

The vehicle for the grant funds, the technical assistance funds, was a large contract with Michigan State University, but it wasn't the traditional project with a contract that funded a team of advisors that was identified from the beginning. The contract was more of a mechanism that was put into place to allow Zimbabwe to access US expertise as it related to the support of its program.

That was essentially the structure of the agricultural program, a \$45 million project. There were a couple of other smaller, more traditional projects in the agriculture sector, but this was the principal one. Because of the way the program was set up, the leadership and direction of the program came from the Zimbabwean government and involved all organizations, public and private, in the sector in defining and approving activities, a combination of local and dollar funds managed very flexibly and openly. Our agriculture staff in Zimbabwe--which was three people, one US direct hire, one Zimbabwean professional and one secretary--were able to manage a portfolio well in excess of \$50 million because of the way the program was set up.

The human resources program and the CIP were set up in a similar way. The CIP, itself, generated local currency which was programmed through a similar but different group in the ministry of finance. The education program was a little different, but basically was a similar structure. It had some non-project funds, some project funds. They were programmed through a process like the one for the agriculture program. There was a substantial training component to the project. That whole program was managed by one direct hire and one Zimbabwean professional and one secretary/administrative assistant who handled a lot of the paperwork for the participant training program. There was a large technical assistance contract for that program as well, which was with the Academy for Educational Development. In addition to being the channel for all technical assistance and direct dollar costs for education programs, this contract

was actually the vehicle for implementing all of the overseas training activities financed by the entire portfolio.

The family planning was then, and remains, one of the most successful family planning programs in Africa, if not the world. It had the personal attention of and was led by the sister-in-law of President Mugabe, who gave it very dynamic leadership. The program was very innovative in reaching a lot of rural people, combining both traditional and modern methods.

*Q: You had a fair amount of technical support from REDSO didn't you?*

SMITH: We had some, a lot of which was in the project design and in the legal and contracting areas. But the staff of the bilateral program in Zimbabwe was, if you include the director and the deputy director, eight US direct hires and a similar number of Zimbabwean professionals and a small support staff. The entire staff of the mission, including the regional program, was 45 people, for a program that was in size equivalent to the one in Ecuador, where the staff was 135. That was 45 people for both the bilateral and regional program. There was some support from REDSO, but the day-to-day technical support was managed by that mission because from the outset it was designed to be a "more with less" kind of program.

*Q: What were some of the key considerations that made that possible?*

SMITH: Well, as I mentioned before, I think a lot of the public administration's capacity and the integrity of the systems that existed in Zimbabwe account for that. And, I think too, that the coincidence of interests, the commitment to do the kind of things that we typically try to promote, was by and large there. There were policy dialogue issues, but nowhere that I had been before or since was there the notion of a true partnership, an equal relationship, between AID and a recipient country as I felt in Zimbabwe.

Actually that was not always comfortable because you kind of get used to saying, "Well, if I am paying for this then I can call the shots and have my way." There was a very memorable deputy or assistant secretary of education who was usually a thorn in our side, but I think was motivated by a real concern, a real commitment to doing the kinds of things that we agreed on doing, but had an anti-American or anti-Western edge to him. He was very clear on a number of occasions that just because we were giving the money or providing it on a grant basis, that didn't mean that we could decide or direct them how to use it. And I think that is right. So often AID is able to use its position as the grantor to get people, at least on the surface, to do things that they may not be persuaded are the right things to do. What this did in Zimbabwe was make us have to persuade them of our point of view intellectually, so they were committed to it; we were not about to say to them to do something because we are bankrolling it. That was a different role and a more difficult role in some cases, but I think it was the right role and the only role to be successful in these kinds of efforts.

*Q: Did the program have, in the context of today's interests in results, very specific benchmarks?*

SMITH: No. In terms of today's world they probably would not have measured up in terms of the degree of specificity of the goals, strategic objectives of those kinds of things. But they were in that direction, and, again, like the health project in Swaziland, I think they were precursors of the kinds of programs that AID is looking at today. If you look at the concept of the re-engineered AID system, the absence of projects and instead programs built around strategic objectives, in the language of the early to mid eighties, that is what those programs in Zimbabwe were. They were sector programs--they identified a number of constraints, identified a number of areas of focus--that began to identify some sort of proto-goals, not in specific terms, but provided the structure around which individual tactics and activities could be chosen, in this case by a group of people headed by the ministry of finance and involving a variety of organizations from the sector to program and to use those resources.

*Q: How could you be sure that all of these components and different interests added up to something that was going to achieve what you are trying to accomplish as opposed to a sort of political process with everybody getting a piece of the action?*

SMITH: Well, that was a concern. We did do some evaluations of the program. I think because we were in the middle of the implementation of the program, they focused more on how the activities were going. The question you raise is a valid one of "what does it all add up to?" I didn't have the sense that there was a mentality of "I'll approve your project if you approve mine and we will allocate this and make everybody happy." I think it was a serious effort. Activities were turned down and I think the review process focused on the merits of an activity. That doesn't respond to the concern about how do you know that this all adds up to something. Was there a large strategic vision behind this and people went out looking for pieces to fill in gaps from things that just naturally surfaced? There wasn't that. Not that there couldn't have been, but I don't have the sense that there was, but then that wasn't really the spirit of the times, anyway. This was, I think, several years ahead of its time in terms of what AID was doing elsewhere. But, it wouldn't be fair to say that in the early and mid eighties in Zimbabwe, AID was already carrying out exactly the kinds of programs that were envisioned by the re-engineering of the mid nineties.

*Q: But the proof is in the results regardless. What were the results of these programs? Were they being effective? Did they achieve the broad goals?*

SMITH: Yes, the programs, themselves, were very effective. In these kinds of programs, one is often measuring their success by national level changes and impact. Certainly in terms of those kinds of indicators the agricultural sector and the education sector, and especially the family planning program, were very successful in the early and mid eighties in Zimbabwe.

What contributions could be attributed to the monies and the roles that we played? I think that is a different question. The activities, themselves, sort of anecdotally, seemed to be by and large quite successful in achieving the objectives that they set up, and the overall macro trends in terms of agriculture production, the increases in agricultural production by African farmers, the number of people enrolled in universities were positive. But those were things that the government was

emphasizing across the board, so it is really hard to isolate what the impact of our resources was on that, except that we were part of that effort and supportive of that effort and that effort was being very successful.

That is the positive side and this part of my Zimbabwe experience stands as the best and highest point of my AID career and, in some respects, my life. But, there was a negative side, and it came to take over. As I've said, there was a tremendous coincidence of views that the US and AID had with the Zimbabwe government on development issues, and we had an excellent and constructive relationship with the government. In addition, the government of Zimbabwe pursued very pragmatic policies on economic issues, particularly via-a-vis its dependence on South Africa, This was not at all predictable, given the fact that they had just won their independence after 15 years of war with a regime similar to the one that was in South Africa, But they took a very pragmatic approach to their situation. They didn't expropriate all the white businesses and farms and didn't kick everybody out, but were constructive about trying to build a new nation that took advantage of those people, incorporated those people.

On the other hand, Zimbabwe's foreign policy was at right angles to ours. These were the days of "constructive engagement", when the Reagan administration was trying to take a more engaged approach with South Africa and pursue that as a way of resolving the apartheid situation. That was perceived in Zimbabwe as being very much in favor of apartheid, because we were not condemning it and if you are dealing with the South Africans then you are not with us.

I personally feel, and this is not necessarily the result of any profound political analysis, that Mugabe and the government had come to power after a long revolutionary war with a lot of expectations and a lot of promises to people that things were going to be different. They weren't really that different. They were taking a very pragmatic approach in terms of economics and that sort of things, were not ex-appropriating the rich commercial farms and handing them out in small parcels to Zimbabwean African farmers. However, they needed an outlet rhetorically for their leftist ideology and for their promises and the expectations that had been raised in the people, and that was their foreign policy position. So, in the United Nations and in speeches and those kinds of things, they were vehemently and very outspokenly anti-American, even to the extent of being one of the two countries that voted with the Russians against the United Nations resolution that condemned the shooting down of the Korean airliner by the Soviet Union.

But, my view was that this essentially was harmless in terms of our interests because what was happening on the ground was very positive. It was not only that our program itself was a success, but the kinds of things that we were advocating in terms of development programs and economic pragmatism were what they were doing. But the State Department didn't quite see it that way, and in those days it liked to get its way and liked people to say that they liked us and appreciated us. So, by the time I got to Zimbabwe in January, 1986, there already had been a real roller coaster relationship for several years. Probably only because of the commitments that Jimmy Carter had made at the Lancaster House negotiations leading to Zimbabwe's independence was the whole \$225 million actually provided, because if it had not been protected by that I think the funds would have been cut back. But, by the time I got to Zimbabwe it was at the end of

that, the commitment having been already made, and we were a little more vulnerable to funding scrutiny. But, more importantly, there was this real love/hate relationship between Zimbabwe and the United States. When it came to speeches at the UN and other kinds of things, then everybody in the embassy and the State Department would go ballistic and start threatening to cut the AID program and that sort of thing.

One of the interesting things we did and that I got involved in was how to orchestrate some good public relations, how to set up circumstances where we could get government ministers to say nice things about the United States that would then get printed in the newspaper and could then get put into a cable back to Washington saying, "Look, here are some nice things they have said about us." Probably the most ridiculous extreme of that that I recall involved the very good housing guarantee program there (I forgot to mention it earlier), a part of which was that we purchased a couple of trucks for the housing ministry. They arrived and we had a ceremony to turn over the keys to these two new trucks to the ministry of housing. We orchestrated an event to which the minister or deputy minister of housing came to receive the trucks from AID. There were a series of speeches where the minister was scripted to say nice things about all the collaboration Zimbabwe and the United States have had. Then, that was put into the newspapers and we sent it back in a cable to Washington. After events like this, things would get better for a while, but then there would be a speech made at the UN or somewhere else and relations would nose dive.

As all of this was going on, Roy Stacy departed in May, 1986, to come back to Washington as, I think, an assistant secretary of State. This was only four months after I arrived in Zimbabwe. His successor, Allison Herrick, wasn't scheduled to get there until August. At the same time, Dale Pfeiffer, who had been in Zimbabwe for four years although he had just become deputy director for the regional program, left to become deputy director in India, and his replacement also was not expected to arrive until August. So, from May until August, not only was I the deputy director for the bilateral program, I became the acting deputy director for the regional program and the acting mission director, because there weren't that many people there. The regional staff had just begun building up. In fact, they had five positions on the organizational chart, but only one or two of those people were actually there, so I got to wear that hat as well. So, it was kind of a busy summer. When I went to Zimbabwe in January, this was the first senior management job I had had, and by May I was the acting mission director and acting regional director as well.

That would have been okay. I didn't necessarily enjoy this political back and forth process (and this is where the politics of foreign aid were again beginning to rear its head in my career), but I think we were being creative in dealing with that, as I was saying with the turning over of the trucks' keys and those kinds of things, but trying to respond to that and trying to get in front of people in Washington some of the successes that we were having, trying to reenforce the view that there was a partnership here, that we see eye to eye on these things and there is more to it than the surface reaction to these kind of crazy foreign policy speeches. And, we were moderately successful along that zig zag path.

But, on the Fourth of July, Jimmy Carter happened to be in Harare on a private visit having to do, I think, with his work with Habitat for Humanity. Since he was viewed as having been a key figure in Zimbabwe's independence given his support for the Lancaster House process and agreements, he was a fairly revered person in Zimbabwe and a very popular ex-president. It was really just coincidental that he was there on the Fourth of July. The embassy invited him to the traditional Fourth of July mid-day events. It had been agreed, because this was during another time of difficulties in terms of the foreign policy speech making, between the embassy and the government that there wouldn't be long speeches. The Zimbabwean government representative would say a few nice things and particularly welcome President Carter, and then the chargé d'affaires (we were also without an ambassador at the time), would say a few things and President Carter would say a few things. All together that would be may be ten minutes and then we would go on with the toasts and cut the cake and that sort of thing.

So, the chargé, Gib Lanpher, who ten years later became ambassador to Zimbabwe, did his little part and Jimmy Carter did his little speech saying nice things about Zimbabwe and the AID program and those kinds of things, and then the government representative started to talk.

*Q: Who was the government representative?*

SMITH: It was the minister of youth, sport and culture. He probably had been setup for this, I think. I'm not even sure he knew what he was going to say because certainly the speech was not about youth, sport and culture. The first few minutes of the speech were aimed at Great Britain and its policy vis-a-vis South Africa, which under the Thatcher government was similar policy to ours, and, of course, Britain being the original colonial power in Rhodesia/Zimbabwe easily came in for special criticism, even ahead of the United States. I first thought this was going to be an astute political, sort of between the lines thing, and that some parallels were going to be drawn--and they were--between the fact that both the United States and Zimbabwe had gained their independence from Britain, what we stood for and all those kinds of things. But, after a little bit of ranting and raving about British policy towards South Africa, the speech slipped into the familiar refrain of criticizing the US and the double standards and how could we do this, etc.

*Q: This was all written text?*

SMITH: Yes, it was, he was reading it. That went on for about 20 minutes and I don't really remember at what egregious point in the speech that the chargé and President Carter walked out in the middle of the speech. And with them went two-thirds of the room, including most of the rest of the diplomatic corps and other official representatives. I don't even think the minister of youth, sport and culture knew what was happening until he looked up from the paper and saw his audience had disappeared. But, with President Carter being there there was a lot of press around covering this and instantly it was beamed around the world, and the BBC and the Voice of America reported that this speech had been made and that the chargé and President Carter had walked out in protest over this and hadn't even cut the cake at the Fourth of July party. In fact,

by the time I got home a couple of hours later, on the BBC was the news that this had happened in Harare.

That night the AID program to Zimbabwe was suspended indefinitely. As it turned out it was suspended for about three years, but at the time it was an indefinite suspension.

*Q: Were you consulted at that time that that was happening?*

SMITH: I was advised that that was going to be the recommendation of the embassy and I tried to argue, obviously ineffectively, that staying engaged was a better way to influence the government than cutting off relationships. I made all of the arguments that I could muster. I was out of my league at that point. I couldn't think of anything I could do to change that and probably there was nothing that could have been to change that particular outcome. The program was indeed frozen, suspended.

*Q: That was all activities or only new commitments?*

SMITH: It was only new commitments, although we fought for a while over what was already in the pipeline, because we had actually signed in the month or two prior to that a substantial amount of money. There was a time when there was serious consideration being given in Washington, I understood, to deobligating those funds. I took the position that if they did that then I would resign and someone else would have to come and take away unilaterally money that was signed in agreements in good faith. I don't know if I would have resigned, but it didn't happen so I didn't have to make that final decision. The pipeline was allowed to remain, but any new agreements were gone.

*Q: Did you have any new agreements pending?*

SMITH: Yes, we probably had obligated about half of our funds for that year at that point. Because of the roller coaster situation we had some clear sailing days in which we quickly readied some things to sign and had done what we could to do the groundwork for those in terms of congressional notifications and those kinds of things, but not everything was in that situation. About half of the program, which may have been \$20-30 million of funds that were envisioned for that year, were not signed at that point.

The exception to that was the population program and because it was viewed as a very successful program, we were able to work out an arrangement with the population office in Washington to fund that program centrally through one of the international population PVOs, who then in turn would make the funds available to the Zimbabwe family planning program, but not through a bilateral agreement. So, that program was able to survive the suspension through that detour.

*Q: Was that your idea?*

SMITH: Well, I participated in that, but I don't know that I can claim ownership. It was something we came up with--the program officer, who was Lucretia Taylor, who is now director some place in Africa, and Duff Gillespie, who was then and still is the head of the population office in Washington. The agriculture sector program, the human resources program, the CIP, those programs were gone, at least the funding for them was gone. The regional program remained, in fact remained a major program for many years.

*Q: Before we talk about the regional program, do you have any insight, understanding, of what was behind this action of the Zimbabwe government and who was the one who promoted this effort?*

SMITH: I have none. I am sure there was no understanding of the implications. In the immediate aftermath there was this whole big thing about apologizing because the speech had been really, literally, insulting, even to President Carter. So, there was this sort of tug and pull between Robert Mugabe and Ronald Reagan, with Mugabe saying, "I will apologize to Carter because he is a decent person and someone we respect, but I don't have anything to apologize to Ronald Reagan for." I don't think it was intentional.

*Q: Was it a Mugabe initiative?*

SMITH: I don't think so. I think it was that the foreign ministry and a couple of other ministries were sort of the radical wing of the party and the ones that were instigating these kinds of speeches in the UN and other places. It wasn't any different from that and I think they just saw one more opportunity to do another "in your face" kind of thing. I don't know that it was a calculated campaign. I certainly don't think that there was any weighing of the possible consequences.

*Q: Do you think by responding the way we did that we played into their hand?*

SMITH: Absolutely. It was among one of the more ridiculous and childish things that I have seen happen in my career. It was really the epitome of "we will take our marbles and go home if you don't say nice things about us." The speech was not diplomatic and not an appropriate thing to do, but it had nothing to do with our relationship with Zimbabwe on the ground and their development programs and our cooperation with them. And it had no impact on anything that mattered, in my view. Yet it was an extremely childish and arrogant attitude on our part to say, "If this is all of the appreciation you can give us, then too bad," without looking below the surface at the that actions were being taken, not just the words that were being spoken, in our joint efforts.

*Q: Did it have any affect on our policy at the time?*

SMITH: No, except for the AID program. It wasn't only the AID program, I think that had an effect on our ability to engage a whole range of influential people in the government in areas where we had been partners and colleagues--agriculture and education, and labor and finance.

*Q: So, you think it alienated those who were friendly to us?*

SMITH: It made it much more difficult for us to keep up a relationship with them and for us to have an influence on their programs and activities, because the medium for that relationship was cut off. The only thing that we had to talk to them about any more was how to close down some of the programs, instead of how to continue to help support what they were trying to do. It was totally shortsighted in terms of any longer term interests in the development of the country or our interest in the country in anything else.

*Q: Or, its political role within the region?*

SMITH: Right. It had no effect on what happened in South Africa.

*Q: Or our policy towards South Africa?*

SMITH: No. It took another ten years and some very special circumstances down there to evolve. This remains the darkest moment of my life really, not just my career, but my life.

*Q: You were going to talk about the regional program.*

SMITH: I was only going to say that the bilateral program, although stopped short in its tracks, had a certain pipeline and in some cases was able to fund activities for another couple of years, but on a phasing down level, and the family planning program was kind of rescued and saved. However, the regional program was definitely on the way up. Funding continued to be earmarked in appropriations legislation for SADCC. The regional side of the mission was just getting staffed that summer. The new regional deputy director had been selected. A new mission director had been selected. After the suspension, there was some question as to whether she would come or not, but since the regional program was in Zimbabwe, they decided she should come. But, what happened was the dynamics in terms of what dominated the time and attention of the mission shifted from the bilateral program to the regional program.

*Q: Was Zimbabwe included in the regional program?*

SMITH: Yes. In fact, Zimbabwe was the lead country on the food security and a couple of others things and continued to get funds through the regional program for those regional efforts.

*Q: Which we didn't provide through bilateral programs.*

SMITH: Right. And, of course, the regional office continued to remain there, even while the bilateral program was closing down.

As I mentioned before, the staff of the two sides of the mission were highly complementary. The regional program had the engineering and the project development staff, the bilateral program had agriculture and human resources and the program office. So, after Allison Herrick got there,

and after Pamela Hussey got there (she was the new deputy for the regional program), and after it looked like the suspension was going to last a while, we had a number of discussions of how to address the problem from a staffing standpoint. Again sole authorship is not relevant here, but I will take credit for the initiative of the idea of basically combining the two staffs into one, in a more traditional mission fashion, by having the formerly bilateral agricultural and human resources office take care of those issues on the regional side and having the project development office and engineering take care of whatever residual issues there were having to do with the bilateral program. It meshed together quite well, so that it would give some more forward looking things for the bilateral staff to be working on related to the regional program, and also would allow sufficient coverage for the remaining activities under the bilateral program.

But, there was one area where that combination wouldn't work: it didn't make sense to have two deputy directors. One of the things that I had done in addition, or as part of, the deputy director role for the bilateral program was to handle all of the administrative responsibilities in the mission. We did not have an AID direct hire administrative officer. We participated in a joint administrative office in the embassy for most of the time, although one of the things we did was to separate from that while I was there. I handled as deputy director a lot of the traditional administrative officer functions and had a couple of people working with me in that role. As time passed and as Allison and Pamela came, and as we began to put the mission together, more and more what I ended up doing was the administrative role. A little bit of that was okay, in fact one of the attractions for me in coming to Harare in the first place had been to get that kind of exposure, the operation of a mission program, but it became more and more of what I did and that was not the turn I had envisioned my career taking. I wasn't that interested in the regional program, although there may have been theoretically a point in time where I could have said maybe I would stay there as regional deputy and Pamela wouldn't come, but I wasn't that interested and didn't want to do that anyway to her.

So, by the last part of 1986, I felt increasingly marginal to what was going on there. Not that relations were bad at all within the mission, but there was just less and less for me to do. I began to make phone calls around to different people, first to the African bureau, as to what positions might be available. By that point in the game, the fall of 1986, there weren't that many, because for most of the deputy director positions elsewhere in Africa candidates were already identified and there wasn't much that was available. So, drawing on the contacts I had had in my Latin America days, particularly ones related to the work I did on staffing issues for project development officers, I got back in touch with the Latin America bureau and the management office there, as well as, indirectly, with Buster Brown, who at that point was deputy or acting assistant administrator for Latin America. Out of those discussions I learned that there was going to be an opening for a deputy director in Ecuador. After several calls back and forth, in December I was offered that position and agreed that I would finish out my tour in Zimbabwe in the summer and then go to Quito at the end of the summer.

### **Return to Latin America bureau and assignment in USAID/Ecuador - 1986**

That was the plan. But in the meantime there were a couple of earthquakes, one literal and one figurative, in Ecuador. The literal one was an earthquake which occurred in February, 1987 or early March, which caused extensive damage. It ruptured the main oil pipeline from the eastern part of the country over the mountains to the ocean and thus cut off a significant portion of Ecuador's foreign exchange earnings for what turned out to be about six months time. That put them in tremendous economic hardship as well as causing considerable damage to several communities in eastern Ecuador. So, there was a lot of new assistance being programmed for Ecuador, to provide both immediate and longer term relief from the consequences of the earthquake.

Coinciding with that was a management or personnel "earthquake" in the Ecuador mission. When Frank Almaguer went to Quito in August, 1986 as the new mission director, he discovered a number of activities and practices that had occurred in the mission which caused him great concern. As a result, he requested a number of investigations and audits by the inspector general's office and the net effect of that was that several people, including my predecessor as deputy director, had their tours shortened and were asked to leave on extremely short notice. Five separate audit reports were written with a total of twenty or thirty recommendations for improved internal management operations, ranging from finance to contracting to administration of local currency programs.

*Q: What was the core of the issue?*

SMITH: The core of the issue was some very questionable practices having to do with local currency management and having to do with financial management and the Controller's office operations.

*Q: Subsidizing a couple of salaries?*

SMITH: Yes, among other things, it involved salary supplements. It involved literally how the funds were accounted for. There were cases of bank accounts into which local currency was deposited on which AID employees were signatories. There were alleged cases of cash in brown paper bags. There were alleged cases of improper and just no accounting of funds. There were cases of contracting irregularities with personal services contractors given responsibilities not appropriate for contractors. A range of things.

But, as I said, several key people, including the deputy director, left quickly and under a cloud. As a result, and particularly with the real earthquake coming on top of that, I got a call in March to ask whether we could possibly come to Quito sooner, before the summer, get established and then take home leave, and not wait until August to get there. We did that, and literally left Zimbabwe on about three weeks notice.

So, we went back to Latin America. That hadn't been my game plan. But, we went and Ecuador rounded out my trio of favorite places. Ecuador proved to be the high mark of my career. It wasn't the place that we enjoyed living most, although it was close. It wasn't my favorite

country. The program was good but it wasn't like the Zimbabwe program. But, all around and in terms of my career, in terms of the mission and the things we were able to do, the relationship I had with Frank as his deputy, it is the high water mark. There is no question about that in my mind.

The initial two or three months we were there were spent on damage control of both kinds. The week I arrived was when the IG gave their briefing on their draft reports. The assistant administrator for Latin America, Dwight Ink, who had worked very closely with Frank on this, had sent his own special representative, Fred Fischer, down to look into the situation. He left a report that had something like 43 or 44 recommended steps to deal with the management problems in the mission. Most of what I did for the first two or three months, actually for the first year I was there, was to oversee the implementation of the steps we took to respond to the IG reports and Fred Fischer's list of 44 recommendations. That was what really consumed the first year that I was there.

Ecuador is an extremely fascinating country. I don't have any problems with Bolivia or Haiti--we have enjoyed all of the places we have lived--but Swaziland, Zimbabwe and Ecuador were an excellent run of countries. Ecuador continued to be a place that we really enjoyed working in, as was true of Africa as well. Our children were of an age where we could get out and travel some. I think all of us had really been bitten by the wildlife and environmental bug in southern Africa, and Ecuador was a perfect place in which to travel because of the tremendous biological, and geological diversity that exists in Ecuador--from the Amazon basin in the east to the Galapagos Islands out in the Pacific, to the highest active volcano in the world, and everything in between. It was just a fantastic setting to work in.

Despite my earlier comments about the size of the staff, which was about three times the staff I had left in Harare for a program that was about the same, it was an excellent staff, one of those Latin America staffs with a lot of very good local talent.

During my first year in Ecuador, in addition to dealing with the management recommendations, I also spent a lot of time with some heavy duty recruiting for U.S. direct-hire staff, replacing people who had left and filling vacant positions. Of course, the AID system being what it was and even with the attention of the assistant administrator, we didn't always get high priority on these kinds of things. But, we were able to rebuild the mission staff over that first year and in the end had an excellent group of people. It was really a delightful environment to work in.

I did a lot of traveling, a lot of getting out into rural areas, the Amazon and the mountains. One of the reasons I went back to Latin America was not to go back to Latin America per se, but to go to Ecuador. Ecuador was, I felt--and I proved to be correct, I think--one of the few countries in Latin America where there really wasn't a big US foreign policy agenda. There wasn't an overriding interest beyond the development program that would skew or adversely influence it.

*Q: Well, why were we there?*

SMITH: Because of development. What I mean by that is the countries to the south, Peru and Bolivia, had the drug problem, and Colombia had the drug problem as well. Central America in 1987 was still an area of major conflict, and there were other issues in the Caribbean. Haiti by that time had eclipsed and gone into night. Ecuador, I think, was the only place in Latin America that had a program of significant size and yet really wasn't dominated by one of those political interests. Now, what accounted for its significant size, in addition to its development needs, was the fact that the president of Ecuador from 1984-88 was Leon Febres Cordero, who was a populist but conservative leader from the coastal Guayaquil area who was a great fan of Ronald Reagan. Ecuador returned to a democratic government in 1979 and the first president was Jaime Roldos, who died in a plane crash while he was president. He was then succeeded by his vice president, Osvaldo Hurtado. Both of them were of somewhat leftist leaning and clashed philosophically with the Reagan administration. But Febres Cordero came in after that representing a pendulum swing in Ecuadorian politics.

*Q: Through a fair election process?*

SMITH: Yes. He was very much a fan of Reagan and the free market rhetoric, if not practice.

*Q: Did he have a personal relationship with Reagan?*

SMITH: I think there was one, but not a significant one. There were a couple of visits during that period by Vice President Bush. There was a real cozy relationship. Ecuador was viewed as a kind of ideological soul mate of the Reagan administration in South America, which embraced the private sector and began to carry out an export-oriented structural adjustment program. That, then resulted in a real increase in the amount of assistance that Ecuador got.

*Q: What scale are we talking about now?*

SMITH: \$50-70 million dollars a year, compared to \$20-30 million which had been the level before then, and the level we returned to not too long after. There wasn't a US foreign policy interest other than supporting Febres Cordero and the kind of policies he stood for. There wasn't a drug issue, there wasn't a civil war. There was enough interest to give a significant level of resources, but with little interference, so we were basically able to carry out a program that made sense on the ground without others putting on strings or overruling what we wanted to do. In that respect, for me it was an ideal situation of which there are not very many in the world, then or now.

We enjoyed that situation most of the time I was there. Not that there weren't some potholes in the road. In fact, Febres Cordero turned out not to live up so well to his rhetoric and to spend most of the last year of his administration under a cloud of corruption. If you look at a chart of the assistance levels to Ecuador during the eighties there would be fairly low levels in the early eighties, a jump up to a height of \$60-70 million a year in the mid eighties and then back down again to \$20-30 by the end of the decade. That fast increase in resource levels in the mid-eighties, by the way, and the imperatives to do something with it quickly, I think is not unrelated

to the management problems that I mentioned before. In the hurry to get things done, the hurry to be responsive and the sort of free-wheeling kind of environment that that sort of foreign policy blessing and all those additional resources gave, I think made people a little more susceptible to cutting corners or to abuses in the interest of trying to get things done more quickly and in a fairly short term and short sighted kind of way.

*Q: Was a large portion of that related to the earthquake?*

SMITH: No. That was all afterwards. The earthquake was in 1987. Febres Cordero came in in 1984, so it was the 1984-86 period when all of this was built up.

Another factor was that during that period, Ecuador had a political appointee as mission director. This was very rare in those days. But, Ecuador in the early eighties had been kind of a sleepy place, and this was frankly true of some of the American staff that were there too. It wasn't on the cutting edge and it wasn't typically first drawer people who were there. The Reagan administration had this retired Air Force General from Puerto Rico that they wanted to put someplace and Ecuador seemed the most harmless place to do that. Well, circumstances changed, but the staffing wasn't changed to reflect that. So, from all reports, you had a very detached, arms length political mission director who wasn't of AID, didn't know the procedures, had much more of a business mentality and got caught up in a lot of the relationships with Febres Cordero and his cronies.

Anyway, we had tremendous resources, ESF funds, PL480 Title I funds, Section 416 food program funds, so there was a whole diversity of local currency and dollar funds. We had housing guarantees. It was a broad and diverse program. We had a very active policy dialogue, particularly in the Borja government after 1988, on some of the economic policy changes that we were working with the government on through the ESF and PL480 Title I programs.

There are a lot of things that stand out for me in Ecuador. I have hinted at one and will mention it again very quickly-- the excellent relationship I had with the director, Frank Almaguer. As the deputy, one of the things that is always kind of a question mark is what your role is going to be and how well you get along with the director. I had an extremely positive, complementary, mutually reinforcing relationship and Frank was and remains on the top of my "heros list" in AID and a mentor and a person I highly respect and look up to. We worked well together instantly. I didn't know Frank when I went there. I had met him a couple of times in the hallways, but our career paths were different up to that point. I knew a lot of people who were directors in Latin America in those days, but Frank was not one of them, so there was a bit of a question mark there. But, it instantly worked and probably was the best work relationship that I have had in my career.

*Q: Apart from having to implement the inspector general and other recommendations, what was your role in the program?*

SMITH: My roles in the program were several. Over the course of the time we were there, we went through a gradual, but in the end fairly radical, refocusing of our programs. The programs from the mid-eighties had been sort of a let-a-thousand-blossoms-bloom kind of approach, so there were a variety of small grants, many with very institutionally immature private voluntary organizations. A

lot of them were private business associations, chambers of commerce or private enterprise association of XYZ, and the grants were to carry out little programs in training or promotion or a similar activity. This created a portfolio that had horrendous management implications. One of the responsibilities I had was to oversee the internal operations of the program. As part of that, I played a fairly significant role in a series of what we called at that time “strategic planning” activities. They were not quite what has become to be known in the agency as strategic planning, although I think they were pretty much the precursors of what happened in AID later. In fact, Ecuador was a model for AID's performance monitoring system that evolved in the early 90s, and some of the concepts that formed the basis for AID's reengineering built on the foundation that we created there in the late eighties. We undertook a process of looking closely to see what was working and what wasn't and what our role was in the process. Again, part of that mid-eighties period was characterized by an approach that maximized AID's involvement and control of things. So, for example, we would have projects where the technical assistance team was a series of PSCs, instead of a contract team that had its own internal structure, which from one standpoint gave AID more control of what those people did, since they all reported to the mission, but got us involved in all the contracting process and having to amend contracts frequently, and supervising a lot of people, so that our ability to have a substantive engagement with the Ecuadoreans was less because we were spending all of our time dealing with PSCs and contract amendments, and all that kind of thing.

*Q: Administrative minutia.*

SMITH: Yes. So, we gave a lot of thought to how we could shift out of that mode of operation to one where we could spend quality time with the Ecuadoreans on the program and not spend all our time with all the internal paperwork. This is where the Zimbabwe experience came in handy. It gave me a point of reference for how we could consciously design our programs to minimize the paperwork, and with that maybe give up a little control, but in exchange free up our time for the substantive engagement which was our comparative advantage. The reason we were there in the country was not to write PIO/Ts, but to be there and engage people, to provide that policy dialogue, that persuasion, that interactive process that would make the program successful, not to perform administrative functions. So, there was that whole set of things that I was involved in.

Part of this was a series of management skills training programs. I lobbied to get the regional management skills training course held in Quito. By doing that we were able to have ten people from the mission in the course itself, and then we got the trainers to stay a week or two extra to do additional training specific to the mission. Nine months or so later, we had the trainers come back and do a couple of weeks more of internal training and team building and that kind of activity. These training programs were, in part, aimed at rebuilding the mission after the

disastrous events of the mid-eighties. But in addition, we used to training to focus on how to build and give substantive roles to local staff, how to define your strategic direction, how to build team work and work across division and office structure lines. I personally feel that many of the concepts that inform and are embraced by the re-engineered AID we were trying and working with in Ecuador in the late eighties. Again, there is nothing in AID that one person solely is responsible for, but I think everyone there would say that I was a principal stimulus for that sort of approach we took and that whole process throughout the three years that we were there.

*Q: How did the program evolve from all that?*

SMITH: I'm going to get to that. There was one area of the program that I took particular interest in and I will come back to that in a bit.

I am going to use the example of the agriculture program as illustrative of the kind of thing that we were trying to do in the program. And, again, these ideas really were not much mine at all, although they were ones that fit very nicely into the overall approach. As I said earlier, in my view successful development programs need to be based on the commitment and the dedication of the people you are working with. That doesn't come from conditionality and project agreements. It comes from them being persuaded that a different course of action is an appropriate course of action to take. It is in their interest, they see the reasons for doing it, they support it for very clear reasons. Where that doesn't exist, and it didn't in many areas in Ecuador, I think the appropriate approach is to engage people in a process of analysis and discussion until they are convinced, and then follow that with the funds for carrying out activities. That is basically what happened in Ecuador.

We had the ability to create, with all the local currency resources we had there, a couple of private foundations in the agricultural area, one of which became kind of a think tank and was the institutional home for a large three-year sector assessment of agriculture that we funded and carried out.

*Q: You created a foundation?*

SMITH: Yes. It was created through the AID programs. It was an Ecuadorean organization with Ecuadorean staff, but the initial funding and eventually an endowment for the foundation was through an AID program.

*Q: Was AID part of the management?*

SMITH: Not officially, but we were unofficially engaged and had some influence on the direction of things, but it really was an Ecuadorian initiative. The funding for that, the impetus for that, grew out of our agriculture sector program.

That private foundation, particularly linking it up with the institutional home for the agricultural sector assessment, provided a forum that was not AID, not the US government nor the

Ecuadorean government, for bringing together different thoughtful people and different viewpoints in Ecuador around a policy and other reform agenda. It was a very successful forum for trying to institutionalize, trying to build awareness. To a large degree, this created local ownership of a lot of the initiatives that then followed, some of which was funded through the agricultural sector program.

The program in Ecuador, largely out of frustration with dealing with the government, particularly in agriculture but in other sectors as well, emphasized very strongly private organizations. This foundation that I mentioned was one example of a new private organization that was created. A new foundation for agricultural research and education was also created and was a major new initiative and the recipient of major grants that we made at that time.

*Q: These were bypassing the government because the government...*

SMITH: They weren't literally bypassing the government because the funds were channeled through the government in many cases, certainly all the local currencies going to them were government local currencies. But, in the case of the larger agricultural research foundation, in the end the grant was made directly to the foundation, not to the government. The origins were really from the Febres Cordero period, which was very pro private sector, so there was a lot of openness to consider private sector alternatives. In fact, a lot of business people that came in with Febres Cordero to the ministry of agriculture and other places were frustrated themselves with the entrenched bureaucracy and thought the only solution was creating parallel structures outside the government to carry on these initiatives. Well, that creates its own problem and dynamics, and a lot of what we worked on was how to bring those two together. You would never really get to the point in Ecuador where the ministry of agriculture as an institution was agreeing that funds should be channeled through a private foundation. But it was possible to develop at least some understanding of the role that a private foundation could have, some view of a constructive relationship that they could have with them, that, in fact, the foundation could allow them to do some things that they were unable to do on their own.

The other aspect of the agriculture program was the promotion of non-traditional exports. We had a couple of old, traditional rediscount lines in the banking system with a not particularly effective technical assistance effort through a producers association. But, over time that got re-energized and redirected and refocused and became a fairly successful program promoting the export from Ecuador products like roses and certain fruits and vegetables off season in the US. The growth in non-traditional exports from Ecuador was tremendous, in part because of the program that we had there. So, we had a twin focus in our agricultural program of non-traditional exports and of policy dialogue, policy analysis, policy reform, coupled with the creation of and support for a number of significant private foundations who could bring a certain capacity and perspective to the sector and help to move it more towards an outward oriented economic and policy framework.

The health program there was also probably as comprehensive as any in Latin America. We had a major maternal and child health program that was quite successful. We had a major family

planning program, which worked with the government but primarily was through a couple of private organizations. We had a major malaria control program. Malaria was a problem in the lowlands of the country. It was a major and rather traditional malaria eradication program.

We had a rural water and sanitation program that mainly financed installing small systems in rural communities. If I was to be philosophical about it and say what did it all add up to, it would not be a lot in terms of confronting the problems at a national level. But it was one of those grants that actually financed the construction of small village, small community rural water systems. Throughout my time in Ecuador, it was one of my favorite projects and one of my favorite things to do was to go to the inauguration of the water systems. It gave me a real opportunity to literally get far off the beaten track and back up some mountain valley into an isolated community and to get a little sense of what it is like there and how people lived there. It would obviously be somewhat artificial with the inauguration and festivities, but it was kind of the fly-on-the-wall or dropping-out-of-space kind of phenomenon into some of these places, and it helped to get a much better sense of peoples' lives and living conditions.

*Q: How were these water systems kept and maintained? Often these are started off very nicely but deteriorate very rapidly for one reason or another.*

SMITH: Well, that is an issue that was being addressed by the program but not something that was a major focus of what we were doing because it was still pretty much the construction phase. But, organizationally and institutionally, the program was set up to build in an effective and ongoing maintenance and fundraising capability. There was a local committee tasked with collecting water fees to help pay for the cost of operating and maintaining the system. The systems usually had a pump, although a lot of them were gravity-fed. In any event, we minimized the high technology side of things and focused on more appropriate technologies. So it involved a combination of building, promoting, strengthening a local water committee, of having fees that were generated to help cover maintenance costs and looking at the construction of the systems from an appropriate technology standpoint. I don't know how things actually worked in practice. How many of the systems would still be functioning if you went back to those places five or ten years later, I don't know, but conceptually there was attention given to maintenance in those programs.

The Ecuador program also had a variety of little programs that were managed by the human resources and general development office, a little administration of justice program, a drug education program, various attempts, all magnificently unsuccessful, at civil service reform and public administration training.

*Q: Why were they unsuccessful?*

SMITH: There was just no real commitment to follow through on them. Occasionally you would get a motivated and dynamic new assistant secretary for this or that who would come in with lots of ideas and within three or six months would get worn down by the bureaucracy.

*Q: The bureaucracy was pretty difficult there.*

SMITH: Yes. Those programs really went nowhere. Part of the program from the mid eighties was an improved tax administration program, a big technical assistance contract.

*Q: Why was the bureaucracy so difficult?*

SMITH: Well, Ecuador is kind of that way. Ecuador has a difficult, entrenched, public sector mentality, all of the bad things that are often said about the US government but then magnified about ten times. There were a lot of people who had their job security and were protective of their turf and not particularly interested in any changes in the way things had been done for the last twenty years. Subsidies and incentive structures in Ecuador, with the oil money from the seventies and eighties, were very much focused on urban middle class, most of whom were government employees. People had their lifetime jobs and didn't want to do anything that they thought would threaten that. They were pretty much opposed to reduction in subsidies that, for example, would increase gasoline prices.

We focused our efforts to strengthen government organizations by working with ministries that were either more open to change or essential for provision of services, for example, the ministry of health and the primary health care programs. But where the government bureaucracy was more of an obstacle than not, we tried to look for alternatives, both as channels for getting things done and also as a way of kind of stimulating those within the civil service, within the public sector, who wanted to do some things differently and look for ways of partnering between private organizations and them. So, we did not turn our back on the government and go off and put all our eggs in the private sector organization basket, but we kept trying to bring the public sector people in. Trying to keep working on the reform agendas in those areas where we had a significant involvement. That was true in agriculture and in health. It was not really true in the part of the ministry of finance that dealt with tax collection. It was not true with the Ecuadorean equivalent of the civil service commission. Our involvement there was pretty anecdotal and we weren't in a position to make a major effort there, so those things were eventually phased out and the program focused more on the key areas.

*Q: Were the ones in agriculture and health what you would call integrated strategies with clearly defined goals or were they a collection of activities?*

SMITH: In health it was a collection of activities with a fairly integrated strategy. The approach was through three or four major projects but the management of those projects was informed by a vision of sector development and our involvement in the sector. So, they weren't isolated as separate units but they were integrated both in terms of our own management as well as the counterparts that we had. So, they were informed by a sector strategy, but the tactics, the instruments, the tools, were individual projects.

To some extent that was true in agriculture as well. There was an agricultural sector program that was the vehicle for our funding to the private foundations I described, as well as other

things. Through that program we gradually focused more on policy issues and agricultural research. In the latter, our emphasis was on involving the private sector, while trying to involve at the field level and at the ministry level the relevant people in the government. That approach was informed by a vision. I don't know how articulate it was at the beginning, but certainly the product of the agricultural sector assessment was a strategic focus on policy issues and ways to involve the private sector. The way the assessment was done helped it become an Ecuadorian agricultural sector assessment, not just something we did as a basis for justifying AID programming in the country. The overall assessment was followed by a companion assessment in the natural resource area, which just got started as I was leaving Ecuador..

Our assistance in non-traditional exports were channelled through a couple of projects, but also drew on and was reinforced by the policy agenda and policy analysis work. This typically involved a series of actors, not just the government.

The area that I got involved in most, personally, was environment and natural resources. We had had a forestry project which was more a village woodlots and public sector forest management efforts, not an environment program per se. It had been on the books for a while by the time we arrived in Ecuador. The mission had also funded a couple of smallish programs that helped the Nature Foundation (Fundacion Natura) carry out a number of programs, primarily on environmental education. But, in the late eighties, environmental issues were coming very much to the forefront. The whole question of biological diversity was capturing a lot of attention, the cutting down of the rain forests and all that sort of thing. Ecuador is at the intersection of all kinds of neat things from a biological diversity standpoint. In fact, in an analysis of the world's "hot spots" where there is the most biological diversity and where it is under the greatest threat, I think three of the eight or ten areas in the world are in Ecuador. Ecuador has the Andes mountains in the middle of the country, and to the east are the head waters of the Amazon. On the western slope, the mountains come down to a broad coastal plain. On both sides there is a drop from peaks of 20,000 feet down to close to sea level in very little distance, which creates a wide variety of micro climates that support tremendous biological diversity. In addition, Ecuador has rich coastal resources and, of course, the Galapagos Islands. It is a tremendous place for biological diversity and is a country of great environmental richness and importance.

We got into this actually to some extent because part of the reconstruction effort after the earthquake in 1987 was in the eastern part of the country, the Amazon area. We helped finance the opening of a new road to replace an old road that had been cut off by landslides resulting from the earthquake. One of the issues that came up there was colonization and opening up the rain forest for spontaneous colonization for people who were could now get in to previously inaccessible areas. So, we began to get involved in some of those issues. There were also big issues involving oil exploration in the Amazon region. Most of Ecuador's oil is on the eastern side of the Andes. Conoco was doing some oil exploration out in the middle of a huge national park in the tropical forest in eastern Ecuador. They were trying to be conscientious about environmental issues. We had a number of discussions with them about some of their ideas for programs and how we might help with some of the infrastructure to both protect the area and maybe create more of a viable national park out of that area. One of the Ecuadorian officers on

our agricultural and natural resources staff was one of the primere environmental people in Ecuador, so he was personally both experienced and very motivated in this area. I was fascinated by natural resources conservation and wildlife for a long time, especially after our experiences in Africa.

It all came together in a program that we began to develop in 1988 or 1989 that would try to address the environmental issues, the biological diversity issues that existed in several areas that were under pressure, but would also recognize the needs of people who lived in or around those areas. We were looking at a combination of conservation and development programs. I think this was one of the earlier examples of this kind of approach to recognizing the interrelationships between biological diversity, conservation and development concerns and sustainable use of resources which have a vast amount of diversity.

Another thing that I didn't mention, but it is a theme that runs through here, is the debt crisis of the 1980s and the beginnings of the idea of swapping some of this debt for nature. Ecuador, like all Latin American countries, had a tremendous backlog of foreign debt and so there were some opportunities for doing that there. I think we really pioneered some new activities in this area and the debt-swap program was one of the initiatives that I personally took. The program we financed was a natural resources management project involving farming on steep hillsides that CARE was carrying out. But by becoming interested in the idea of a debt-swap, that whole effort got us involved with a variety of other organizations and innovative financial approaches in the environment and natural resources area. So, with a number of folks inside and outside the mission, we began to think creatively about how to put together a program that would combine development and biodiversity conservation approaches.

*Q: This was what year?*

SMITH: This was 1988-89. The other twist that we put on this was the one I said we would come back to later on, and that is my whole approach and growing conviction about the right way to do project designs. What we did in this process is, and again, Washington intervened to make our life difficult, to try to get the approval of the project at the PID (product identification document) stage. On the basis of that approval, we would then proceed with contracting the implementors for the program, and have as the first task for the "implementation" contract the final design of the project. This would include the selection of the areas where the project would work. The idea was that the contractor would work jointly with the counterpart organizations on development of the detailed plan, with the view that once that stage was done there would be a kind of "punctuation mark" when we would review the final design and approve the project in the field. We felt this could be a much accelerated process, handled in country with the people who would then carry on to implement the project. There might be a gap of two or three months between design and implementation, but we would try to bridge that with some overlap between the two phases of this process.

*Q: The designers would be the ones who implemented it.*

SMITH: Right. It took a little doing. Actually, AID had a mechanism called “collaborative assistance” that was designed to encourage university involvement in development programs, but did foresee this kind of program where the design organization could be a private voluntary organization (PVO) or a private contractor. In the collaborative assistance concept, it would be a university that would presumably carry on the implementation of a program once it was approved. We used that collaborative assistance concept, but with the idea of involving PVOs instead of universities to do that. We planned that the PID we put together would identify that process, and would identify the broad objective that we were trying to achieve and the parameters within which we planned to work. It would ask for the authority to contract following PID approval for the technical assistance provider, with the view that they would also continue during implementation of the project. And the PID would request authority to approve the final project paper in the field, without having to come back to Washington.

Well, that was a little bit ahead of its time. I was pretty much behind this whole idea, but I did not go to Washington to make the case for that approach, but rather the people in the agriculture office did. It worked out that they were going to be in Washington anyway. Theoretically, we were going to economize on the staff, and I don't know if it would have made any difference anyway. But, like the Swaziland health project case, Washington wasn't ready for our vision and maybe we were moving too quickly, maybe we were being a little bit too flexible on this. What the bureau asked for before allowing us to proceed was basically for us to document our strategy in the environment and natural resources area. To be honest, we probably didn't have the strategy well articulated and it certainly didn't exist on paper, and we may have been going a little bit too ad hoc and sort of looking at this as a target of opportunity without a particularly well thought out strategy.

But the net effect of that was to set the whole process back by a year. We had gotten to the point of writing the PID presenting these ideas and getting ready to go with that approach, when everything was sort of put on the shelf and we were told that before Washington was ready to talk about a project, they needed to know what our strategy was going to be for working in the environment and natural resources area. And, of course, we hadn't planned on that and there was nobody to do the strategy and it took a year, maybe more, until we went through that thought process and writing process to send Washington the strategy document. In the end it didn't really change materially the project itself, but did set us back a significant period of time.

So when I left Ecuador, we were only really just getting started with the project. The PID was finally approved in 1990 and we were just getting started on the request for applications for the implementors who would carry out the final design and then eventually implement the project. The project became known as the SUBIR project, the sustainable use of biological resources project, and eventually was awarded to a consortium of the Nature Conservancy and CARE and one other environmental organization. I hear it has done reasonably well. That is the project of all the ones that I have been associated with, even though it is not one I actually physically wrote as a project design officer, that I would consider to be “mine” more than any others in my career. But, it wasn't consummated successfully during my time there.

*Q: What were some of the things that you were trying to promote?*

SMITH: The idea was to take several areas of high biological diversity in the country, most of which actually had, at least on paper, a formal park or reserve status or core of one. To look at ways both to manage those parks or reserves that would involve local people, would make the park or reserve a meaningful concept, not just a piece of land with a fence around it trying to keep everybody out, and to look also at buffer zone areas in the immediate vicinity as a way to carry out agriculture and other economic activities that were compatible with those forests areas (most the areas were forest although there were some high mountain areas as well), and look at kind of an integrated, sustainable sort of development-with-conservation approach to some key physical areas in the country that would encompass some significant locations for high biological diversity.

*Q: It would harmonize the people's welfare with the environmental effort.*

SMITH: The World Wildlife Fund then had a program called "Wildlands and Human Needs", sort of a "parks-and-people" kind of notion. And the Biodiversity Support Program that AID still finances through a consortium which includes WWF was actually one of the vehicles for some of the early design work there. This whole notion of combining conservation with the recognition of the development needs and the behaviors and cultural attitudes of communities--looking at this very much as a community based conservation approach--this probably wasn't the first time that this ever happened, but it was not as widespread and as accepted as it is now. This was intended to be among the early efforts in this area and was one reason why it was all the more frustrating that we got hung up on this semi-bureaucratic requirement to do a strategy, which cost us a year in actually getting into the field with something like this. And, on a personal level, it cost me the opportunity to see that effort, to nurture it, into its implementation. But, the program has done okay.

I guess the consortium members had a falling out along the way and had some difficulties of that nature, but I hear they are working on a new program. In fact, I just learned last week that the mission in Ecuador is very much involved in and looking at the next generation of its strategy and program in this area, building on the experience of that project. Even though the program in Ecuador is fast disappearing, this is one of the areas that they are preserving and really focusing on as one of their last remaining activities. So, the legacy of that kind of lives on.

One of the things that I was most pleased with was pioneering a new look at things, a new way of doing things, and consciously not taking the conventional approach to things but saying, "Here is a problem, let's see if we can fix it." Both the SUBIR project, where we applied the collaborative approach, as well as pioneering a number of things involving debt swaps--these were two things that I did in Ecuador and were largely things that I could say would not have happened, certainly not the way they happened, without my involvement. They were fun.

*Q: Was there something particular about the debt swap?*

SMITH: The opportunity existed to use a small amount of money to leverage a large program because of the discounts that were being given on Ecuadorian debt. Ecuadorian debt was sold on the secondary market for eleven cents on the dollar in those days. So, you could buy a dollar's worth of Ecuadorian debt for eleven cents. The government, partly through our working with them, developed an approach for exchanging debt purchased in that way, swapping that debt for local currency at fifty cents on the dollar. So, they got their debt retired in effect for half price. But since the price of that was eleven cents you also got a multiplier 4 or 5 times yourself. We worked at two levels on this.

One, we worked closely with CARE, which had had a grant from us for a natural resource management project which involved on-farm terracing and irrigation activities, sustainable agricultural activities on steep hillside farming. We worked with them to extend that program through the vehicle of a debt swap. CARE was very interested in doing that in those days. We basically were able to make a \$250,000 grant to CARE, which was leveraged into, by the time everything was said and done, a \$1.2 million program to carry on their sustainable agriculture hillside farming activities there.

In the process of doing that we then got into some very active discussions with the government of Ecuador about their general policy and the general use of this device as a tool for development, both in natural resources and other things. There was a group called the Debt for Development Coalition which had a couple of people working on these issues worldwide and they came down and worked with the Vice President's office. The Vice President of Ecuador was very interested in this whole area, took a personal interest in it and was very much behind the development of the government of Ecuador's policies and procedures for using debt swaps for development purposes in natural resources, education and other kinds of things. So, because of our interest in this specific program we were able to work more generally with them.

*Q: This was AID debt?*

SMITH: No. It was our money in this case. The \$250,000 was a grant to CARE, which then used that money, and I think some of its own as well, to purchase commercial debt of Ecuador on the secondary market and at eleven or thirteen cents or whatever it was. In the final analysis, they were able to buy that multiple, 8 times that, so \$2 million worth of Ecuadorian debt face value, then exchange that in Ecuador for a million dollars worth of local currency and then program the local currency for the cost of its programs. So, it wasn't AID debt, but a small grant from us to CARE which allowed them to purchase commercial debt on the market and use the proceeds for their programs.

So, all around that is why I would say that Ecuador is the high water mark of my career. I had an excellent working relationship with the director. The role I played was one very much the internal mission management role and in that role made some significant progress or did some significant things. But more importantly, I had an opportunity to develop some skills and experience in management training, team work, working together on a strategic planning effort to guide the focus of the program. We had a very interesting program, and a lot of

implementation problems, but over time we dealt with those problems, pared the portfolio of the bad apples and focused it on the things that were crucial to our objectives, reflected a significant private sector role along with government, and a couple of initiatives in which I was able to play personally a key role that involved some very innovative programming and were in an area I was very much interested in.

*Q: Where did you go after Ecuador?*

### **A year's sabbatical at the National War College - 1990**

SMITH: I think something to talk about a little bit to give the context for the next move are the activities that my wife got involved in while we were overseas, because in large part that was what motivated our next move. When we were in Bolivia and Haiti we had very young children, so mostly what she did was take care of them. First of all, my wife is a registered nurse and had a lot of both medical and intensive care experience in nursing. But, after the birth of our first son, she got very interested in the birthing process and later in breast feeding promotion. While we were in Bolivia, and Haiti to a lesser extent, she gave Lamaze birthing classes to other couples who were about to have their babies. When we were in southern Africa, and later in Ecuador, the children were a little bit older and in school all day and this allowed her to do some other things. She didn't really work in a paid job, but did a lot of volunteer work, starting in Swaziland with the family planning organization. She got involved in a number of activities related to family planning and breast feeding promotion. Later, when we went to Zimbabwe she continued that and got very active in the whole area of public health and breast feeding promotion, mother and infant care. Likewise in Ecuador, she and another person helped to establish the Ecuador chapter of LaLeche League, a breastfeeding promotion organization. Over the three years we were there, she became more and more interested and involved in those kinds of issues. As our time in Ecuador was coming to a close she was very interested in going back to school and getting a Masters degree in public health. So, the timing of our departure from Ecuador was in large part related to giving her an opportunity to come back to school and to pursue that Masters degree. She was accepted at Johns Hopkins and so we looked for a way to arrange a move back to the Washington area so she could attend that Masters degree program for a year.

We weren't certain at the time whether we wanted to stay in the States for just a year and then go back overseas again or maybe stay here for a longer period of time. The idea we talked about was for me to see if I could get long term training approved in the Washington area following our Ecuador assignment. I was approved to attend the National War College, starting in the fall of 1990. My wife had actually been accepted into the Johns Hopkins program a year before, but had requested an extension of that admission for a year, so we were able to orchestrate this quite nicely. So, both of us ended up in the Washington area and both in school for the academic year of 1990-91.

The War College experience for me was quite interesting. In the first instance, it was a nice time to step out of the more active career path or active involvement in day-to-day activities for AID.

It was a time to sit back and reflect. I actually hadn't taken that kind of time off to go to school for close to 20 years at that point. What I was looking for in that long term training assignment was a chance to step back and reflect some on the experiences that I had had and try to build on those, try to make some greater sense out of them for the future.

I must say that the War College curriculum probably wasn't the ideal thing that I was looking for. The course work there is basically a year long seminar in American foreign policy and is intended primarily for military officers--something like 75 percent of the student body are fairly senior military officers, colonels, lieutenant colonels, or equivalent. It is kind of their school to give people who are at a fairly senior level already and who the military considers to have good potential for the general officer ranks to get a broader perspective in this area than what they may have had in their careers so far. So, it was a broad sweep of US foreign policy interests, what was going on in different parts of the world, and included an opportunity to take two or three courses per semester that focused on various aspects--largely military aspects, but also some issues related to foreign policy concerns or the history of American diplomacy or, in a couple of cases but not very many, economic issues internationally. As such, it really didn't focus as much on development issues, economic or social, as it did on broad foreign policy issues.

Of course, the vast majority of the students who were there had very little knowledge and frankly very little interest in the AID type of work in developing countries. I often thought while I was there that the primary reason for having the 25 percent of the class that represented a whole variety of civilian government agencies was to give some perspective within the student body to the military students who were there and to help expand their horizons. I suppose the flip side of that was also true, but in my case, as will probably be obvious from our past discussions about southeast Asia and Central America, never having served in the military and being somewhat negative about military operations, this wasn't exactly my primary interest.

*Q: Did you get a chance to speak to the group or talk to people about development?*

SMITH: Quite a bit. I was able to speak up quite a bit about development interests, but I guess more than anything I was impressed that this was a group that was generally fairly hostile to a major US government foreign assistance role in developing countries. They questioned very outspokenly the value of those kinds of programs. In that sense, I suppose, it was more representative of the political situation in the country, the high degree of skepticism about the results of US foreign assistance, the sort of anti-foreign aid mentality that peaked later on.

*Q: Was there anything specific, an experience, about that view or was it just sort of a general negativism?*

SMITH: Well, there wasn't much in the way of experience because most of their experience had either been domestically, or if it had been overseas it had been places where there are US bases or military operations. I think it reflected the general skepticism about the value of the results that were being accomplished. Many developing countries were considered bottomless pits and full of corruption and leaders who didn't care about their people. And, of course, there

are plenty of examples of that to give that view some credibility. But in of spectrum that we have discussed before about how US interests are best served by foreign assistance, I sense that the view of that group generally was much more along the lines of the short term foreign policy interests than any support for long term development.

The vast majority of civilian students were from the State Department and given my past experience and perspective on the State Department people, it was interesting to me that within that environment I found myself much closer to my State Department colleagues than I did to the military folk.

*Q: Did you find any sensitivity for poverty, the poor people of the world, the disruptive effects of people left out of the development?*

SMITH: Frankly, very little. There were some people who were more open to that view, but the prevailing view was quite negative about that. As was a view that had existed for some time and peaked probably a little bit later in the massive reductions in foreign assistance over the 1990s and the various proposals to do away with the Agency for International Development and some of those kinds of things. I think this was very consistent with that particular mentality.

*Q: Did you get any sense of change of attitudes or understanding over the time you were there?*

SMITH: No. It wasn't really a focus of the course. The course of studies didn't take an editorial position in favor of that or against it. It wasn't a process of organized learning where I found people came out much more favorably disposed towards foreign assistance.

*Q: Were there any high level policy leaders who spoke about long term issues?*

SMITH: There were a large number of people who came from outside. In fact, a feature of the War College curriculum was a number of invited speakers throughout the area who came and some did focus on that. There was a regional focus to the program. In fact, the War College experience includes a two-week overseas trip somewhere in the world during the spring. Each student is required to specialize or to study a region of the world, generally the region that corresponds to the location of the trip that he or she goes on. There were a couple of trips to Latin America, typically to the more advanced places or one that had foreign policy issues-- Central America, the Andes and the drug issues, etc. There were no trips, no study about Africa, for example, which is quite interesting in hindsight since in the nineties there have been a couple of military deployments to Africa. But none of that was on the radar screen or the War College curriculum in 1990.

*Q: Nobody foresaw the role of the military in Africa.*

SMITH: No. Not in Somalia. What was getting a lot of attention, obviously, was Eastern Europe and the Soviet Union. Again, this was 1990-91 and the revolutions in Central and Eastern Europe had occurred the year before and that was what was really attracting a lot of

attention--all the changes and openness now, the political and military dimensions of those changes, the effect it would have on NATO, the effect it would have on military cooperation and cooperation generally with countries like Poland, Czechoslovakia and Hungary. There was also some speculation about what the Soviet Union was going to become. This was a couple years from the demise of the Soviet Union, itself, but, of course, there already was a lot of ferment and excitement around the openness. So, to the extent there was a large magnet that attracted people and attracted attention, it was there, not Latin America, not Africa.

*Q: Where did you go?*

SMITH: Going back a little bit to the path my career had taken, I really felt that because of the events that had occurred in Zimbabwe and the lack of any other postings in Africa at that time, that our time in Africa had really been cut short prematurely. I went back to Ecuador because it was Ecuador and it had the kind of program I was interested in, and was the kind of place where I wanted to be. But, I did not feel like turning my back on Africa and saying, "Well, this had been a mistake and I am going back home to Latin America." So, what I wanted to do in the rest of my career, and to concentrated my studies as well, was to focus more on Africa. I was really interested in spending the rest of my AID career in Africa and I had hoped that this opportunity in long term training would help me learn more about that, that it would be a vehicle for getting back to Africa.

But, as I just mentioned, the War College was blind to Africa. Africa wasn't on their map, there was no trip, no regional studies, there was nothing. So, I got swept up in the tide with everybody else focusing on Central and Eastern Europe, which was a very interesting tide to be in. It was interesting to think about in relation to some of the comparative politics courses I had taken in graduate school. Of course, a lot of my issues with American foreign policy over the years had been sort of related to the fight against communism, and here was communism sort of collapsing of its own weight. People were coming out of that form of government and trying to become more democratic, more open to Western economic systems. So, it was a fascinating period and was really very interesting.

So, that is the area that I focused on. A couple of the courses I took and papers I wrote attempted to relate what was happening then in Central and Eastern Europe to some of the changes that had occurred earlier in Latin America. I tried to make that sort of comparative analysis. But, Central and Eastern Europe was the focus that I took geographically and ended up going on the trip that went to Poland and Czechoslovakia, which was a really fascinating trip.

*Q: This was before AID got involved in those countries.*

SMITH: It was just as AID was beginning to get involved. The trip was in April or early May of 1991 and I think the first AID offices had just opened in the region that spring. So, things were just beginning to change, AID was just beginning to get involved, the whole US government was just beginning to engage and figure out what kind of foreign assistance program might make sense in that situation, which, of course, was quite different from the ones we had traditionally been involved in. I tried to pick up as much of that focus as I could, but that really

wasn't the primary interest of most of the people, who were more interested in the military dimensions of things, which, of course, for someone who had spent their whole career in the military was probably even more fascinating. Here were countries that were behind the iron curtain and enemies, the Warsaw Pact countries, and all the opportunities for collaboration and interaction with them just didn't exist before. That was largely the focus that the trip took and the group in general took.

*Q: Did you write a paper?*

SMITH: I wrote a couple of papers. One, an independent study that I did in lieu of a course, was trying to make some comparisons between the economic and political reforms that occurred in Latin America and the similar circumstances in Central and Eastern Europe. This gave me a chance to study a little more the kinds of things that we had been involved with in Ecuador and other places, the political economy of policy change in the early eighties and its implications, including the whole issue of social safety nets and the impact of structural adjustment on poor population and those kinds of things. I tried to make some comparisons and perhaps conjecture what issues or what challenges might confront the countries, particularly Poland and Czechoslovakia, in the future based to some extent on the Latin American experience. It gave me an opportunity both to look a little more closely at the Latin America experience from an more academic standpoint, and to focus my attention and studies in Eastern Europe on economic and social issues.

We actually wrote a number of papers throughout the course of the year in the War College, for the major core seminar, as well as for some of our individual courses. So, I did a lot of writing that year, which gave me an opportunity to delve a little more deeply on some of those kinds of issues.

*Q: Was there an AID member on the faculty as there has been more recently?*

SMITH: Yes, Jim Holtaway was there at the time. I think the understanding at that time that AID had with the War College was that they would provide a person for the faculty in exchange for two slots for students.

*Q: Did he give courses?*

SMITH: Yes, he gave a course on economic development and it was a good course. However, I think I was probably more of a resource to my fellow classmates than being in a situation where I was learning a whole lot from them. Jim was also my adviser there. One of the things I was able to arrange with him was actually to teach one session of the seminar, based on the research I was doing on this comparative analysis of Latin America and Eastern Europe and some of the structural adjustment, impacts and changes. So, that gave me an opportunity in a small way to try out a teaching role and see how I would like that, and also to try to condense a lot of material down into a two-hour seminar session that would hold people's interest and communicate the essence of what I was getting out of my learning.

There was another AID person there at the same time as well, and there were two AID people at the Industrial College of the Armed Forces, ICAF, which is also located at Fort McNair here in Washington. So there were actually four AID folks on the campus and we would get together from time to time to compare notes and see how things were going.

In general, it was a very good year in many respects. It gave me time to reflect to some extent. It certainly gave me time to focus on what was happening in Central and Eastern Europe in a way that I had never been particularly interested in before. I did some interesting things and it gave me a lot of flexibility in my schedule, frankly, so that we could balance and juggle all of the responsibilities here when my wife was traveling to Baltimore every day and staying up there one or two nights a week. But, I don't know that from the standpoint of what I wanted from a year of long term training, in terms of development substance and a chance to really have an opportunity to learn not only from the courses I was taking but from my fellow students and to deepen and broaden my knowledge of development, and to focus on Africa, that it was as good as it might have been.

I don't want to sound sour about that in that it is a unique opportunity that only a few people have. It did give me an exposure to military culture, which I had not had and haven't had since. That was a culture shock of its own, but it did give me a better sense of the military organization, their way of thinking. So, it was broadening, but not necessarily broadening in the way that I would have hoped. I suppose if my interests had been moving more towards the foreign policy arena, diplomacy, which is not inappropriate for someone moving into the AID director ranks, it would have been a little more satisfying. But, that wasn't particularly my interest, so it wasn't a perfect match in terms of what I was looking for and hoping to get from it. Nonetheless, it certainly was a worthwhile year and I don't write it off as a waste of time by any means. Personally, it came at a very good time and worked out quite well in terms of our personal situation.

*Q: Would you recommend that AID continue that relationship? Is that the best use of AID resources?*

SMITH: I don't know what the resources are that are involved in that.

*Q: Paying your salary for one.*

SMITH: Well, paying my salary and also paying the salary and other expenses of someone on the faculty there. I guess that depends on one's vision of AID. If one looks at AID as increasingly part of the political instruments of foreign policy in a shorter term sense and it is, therefore, important for its leadership to have that broader perspective of military and other national security organizations and to know what their roles and functions are, then I think that is good. I think more and more, whether through relief operations, programs in Eastern Europe, or the continued drug programs in South America where there is involvement of a variety of actors within the US government, it certainly would be beneficial. And, probably that is the

direction in which the agency is going frankly, and is not necessarily going in the direction of being a better development organization. So, in that context I think probably “yes” would be the answer to the question. But

I lament that trend, as is probably obvious and will become more so, because I do think there is a role for the agency to be viewed as more of a development agency than a US foreign policy tool.

I guess I would also argue for perhaps a little better matching of candidates for long term training with the opportunities that exist. In my case, I wanted to be in the Washington area, and this was in a sense a freebie. There are some costs associated with it, but there was no cash outlay. What I originally wanted to do was to go to a fellowship program at Georgetown University, which was in development, but that actually involved a cash outlay of funds. The War College didn't involve that and so that is where they sent me.

In some respects, the more difficult aspect of that year was not being remembered in your agency. It is one of those things that one hears said a lot about long term training, but I experienced it first hand. You get out of the system and people forget about you. It was difficult, even though I was right here in town, to reenter and to find a place for a new assignment. Part of that was in terms of what I wanted to do. Frank Almaguer, who had been the director in Ecuador, also, as it happened, ended up going to long term training that same year. We both left Quito together and he came to the Senior Seminar at the Foreign Service Institute. He had the same experience. We compared notes from time to time. Basically it was an out of sight, out of mind situation.

As I say, in my case that was partly complicated by what I wanted to do, which was not to go back to Latin America. I had been in the Latin America region when I went to the War College, and there was talk that before people would go to long term training their onward assignment would be assured before they even entered. That did not happen in our case. But, I wanted to get back to Africa. For reasons that I guess were later clarified but at the time were difficult for me to understand, I was not able to get in to see the people in the African bureau who were responsible for making assignment decisions during that winter and spring when those decisions were being made. I guess that there was a feeling, which was interesting and certainly not my perspective, that when I left Zimbabwe I had kind of abandoned the African bureau, and so “forget him”. That wasn't my view of it at all. In fact, I had talked to the bureau about other assignments in Africa before I had even raised the issue with Latin America to go to Ecuador. However, there was this perception in the Africa bureau that I had abandoned them and gone back to Latin America and therefore was not someone who they would necessarily welcome back. It took me a number of months actually to find that out.

### **A new venture with the Europe Bureau - 1991**

In the meantime, I wasn't really looking around for much of anything else. I wasn't interested in going back to Latin America. In the end, to make a long story short, I ended up going to talk with the people who were just forming the Europe bureau of AID at that time. The Eastern

Europe program was just getting started in 1990-91 and a few posts were opening up then. The bureau that was responsible for these programs was what had been the Asia and Near East bureau and then the Asia, Near East and Europe bureau. Later, the Asia part was broken off and combined with the Private Enterprise bureau in a sort of interesting arrangement during the Bush administration. This left Europe and the Near East. In 1991, there was to be a further split with the Near East and Europe becoming separate bureaus. In the context of that, there were a number of positions opening up in the new Europe region. There was an interesting experiment in organization for that program which was to create a regional mission for Europe in Washington which would have a lot of the traditional AID overseas mission responsibilities for the program. The concept was to have it located in Washington because a lot of the Eastern Europe programs were heavily influenced by the State Department and other agencies. There was also concern about keeping the number of US direct hires who were physically located in the countries small. Cost was a consideration, but language and experience issues were also there as well. So, the model was to create this regional mission for Europe in Washington with then small--maybe two to five US direct hire--AID representative offices in each of the countries of the region. The regional mission then would be an integral part of the bureau for Europe in Washington.

Frank and I actually had talked about this for a little bit and both of us were independently talking to people in the Europe bureau, Carol Edelman, who is the assistant administrator, and David Merrill, the deputy. Because this new regional mission for Europe was completely new, they were looking for both a director and a deputy director at that time. We thought it would be a good idea to put the winning team back together again from Ecuador. But, I think Carol and David were a little concerned, and probably rightly so, about two unknown quantities taking over responsibility for what was the central organization in this new program. So, instead of that, they selected Frank as the director of the regional mission, but they asked Bob Nachtrieb, who had been the director of the program office in the bureau, to be Frank's deputy and then asked me to be the director of the program office in the bureau for Europe. So that is the position that I took beginning in July/August 1991.

It was a fascinating time in many respects. The whole program was extremely different from anything that I had experienced before. It was different in terms of the countries where we were working. It was different in terms of the structure of the program because it involved not only a lot of US government agencies who had not traditionally participated in AID activities, but there was a conscious effort to reach out to involve a lot of US private organizations, both for profit and nonprofit, who were not the traditional sort of AID constituents. I think this was good from a number of perspectives, not the least of which was that the situation in those countries was different than it was in Africa or Latin America. They were dealing with a different kind of development challenge and one in which arguably a lot of the organizations whose work was largely domestic in this country, or maybe in other European countries, was more relevant than it would be to Africa or Latin America or Asia. So, there was a real reaching out to try to involve some nontraditional organizations in that program.

*Q: Such as?*

SMITH: On the US government side there were about 20 different government agencies involved in one way or another in our foreign assistance program to Eastern Europe, whereas maybe there were three or four that were conventionally involved in Latin America and Africa. There were a lot of private organizations, cooperatives, ones that were involved with civil society and democracy promotion programs. This was a little bit ahead of the major emphasis that AID now has put in those areas. A lot of legal and judicial organizations, bar associations. Both political parties had development institutes which began to come into flower about that time, more oriented towards what was happening in Eastern Europe. There were also some ethnic American organizations that were representative of Polish-Americans, or Czech-Americans or Hungarian-Americans. There were a variety of those organizations and people who because of their regional interests were not ones who knew much about AID or had been involved with us before that. Some private business and finance organizations representing the kind of business opportunities that were envisioned to exist in Eastern Europe were not, again, comparable to what might have existed in Africa, Latin America or Asia. They were organizations who represented more higher sophisticated industries, perhaps, and went beyond those involved in traditional AID programs.

Organizationally, there were two features of that program that were also extremely interesting. One was not particularly satisfying, the other one was potentially so. The first one was the fact that the State Department became involved because of the highly political nature of these programs and the fact that US assistance in the region was authorized through specific legislation, not just an amendment to the Foreign Assistance Act. There was a special Support for Eastern Europe Democracy (SEED) Act that was the channel for funds to Central and Eastern Europe, and subsequently, a similar Freedom Support Act for the former Soviet Union. This legislation called for an overall US coordinator for assistance to those countries, who was the Deputy Secretary of State. So, there was a whole office within the State Department whose role it was to coordinate the assistance program. They got very involved in a lot of the details, both the individual project activities as well as the overall strategies--or the decision not to have long term strategies in those countries in order to maintain the flexibility to respond to circumstances as they evolved. The State Department was initially very much opposed to country funding levels and things that State felt would make this into a more traditional AID approach where recipient countries would feel entitled to a certain amount of funding irrespective of whether there were worthwhile projects or whether programs were being implemented well. This was also State's attitude about staffing in the field. The State Department kept a tight grip on how many AID folks could be in the field.

Although the funds were appropriated to AID, the State Department felt that it was very much in charge of the overall program. It was very much a proponent of handing major chunks of the program to the Treasury Department, to the EPA, to the Agriculture Department, to the Commerce Department, to a whole variety of other US government agencies, which created a whole legal and implementation scenario which we just weren't used to dealing with. It was our money, appropriated to AID, and yet here were other government agencies with their own rules and without much experience dealing overseas, carrying out programs directly. You can just imagine the tremendous complications that involved.

That was one aspect of it. The other aspect that I thought was very interesting and a potential model for the future was this regional mission in Washington concept. Theoretically, in an age where communications were becoming much better, e-mail and a computer on everybody's desk was becoming a fact of life in the early nineties, and given the tremendous costs of travel and time, etc., it made a lot of sense to think creatively about alternative ways of organizing ourselves. This regional mission seemed to have a lot of potential, not only for the programs in Eastern Europe but also conceivably in other parts of the world, whether it was located in Washington or located elsewhere.

Unfortunately, I think this concept broke down in practice. Not that it was unsuccessful; it just became a lot less than it had potential for becoming in a couple of respects. Two that I will mention I think were quite serious. One is that the internal politics within the bureau led to a decision that the technical offices for the Eastern Europe program would remain apart from the regional mission, and organized instead as an office within the bureau. So, in effect, the regional mission was only part a regional mission in the sense of being responsible for the programs, because it only had, structurally in the mission, the program, the project development and the private sector offices. All the traditional health and democracy and education and agricultural offices were organized as a bureau office under a director who reported not to the regional mission director but to the assistant administrator. This is especially crucial because all of the projects that were undertaken in Eastern Europe were regional projects, did not have specific country activities identified in advance, but were regional efforts that were consciously put into place as a way of allowing flexibility to respond to where the interest was and where there were promising activities. All the project officers were in Washington, they weren't in the field, and they weren't in the regional mission. They were in this technical office that was part of the bureau. So, it set up a strange situation where you had a regional mission and mission director which theoretically was responsible for carrying out the program, but didn't have in it the staff who were the project officers for activities being carried out in the field. That only came together at the assistant and deputy assistant administrator level. And, of course, you had all the State Department involvement in the program as well, that made that regional mission concept, even in Washington, an extremely awkward and difficult thing to carry out.

The other factor was that the AID representatives in the field also reported directly to the assistant administrator and deputy assistant administrator, not through or to the regional director. So, you had a vision of a regional mission for the Eastern European programs created in Washington which conceptually made a lot of sense, yet you had two key dimensions of the responsibilities for the regional program--the technical offices which included most of the project officers and the field staffs of the AID representatives--which didn't report to the director. So, even if you didn't have that whole State Department layer, which in itself was a major complicating factor, the deck was stacked against the regional mission.

*Q: Who was the assistant administrator at that time?*

*SMITH:* Carol Edelman.

My role in all of this was not anything that I have mentioned so far, but actually was even more difficult to figure out because the bureau had created a separate program and project development office which combined three traditional functions: the program, the project development and economist functions for the bureau. But, the Eastern European programs were mostly the only programs that the bureau had. There were a few activities in Cyprus and Northern Ireland and Portugal, but 95 percent of the activity that went on in the bureau was related to Eastern Europe. So, here you had, in effect, a bureau that had one program, with the mission literally around the corner, and then a bureau program office. Trying to figure out what roles and responsibilities there were between the bureau program office and the mission program office, when the mission included 95 percent of the activities of the bureau, was a very interesting dynamic. Yet despite all of that, I think we got along very well. I know that a lot of people had issues with both Carol Edelman and David Merrill, but I had nothing but a good relationship with them. But it was just a very ambiguous organizational situation and one that was frustrating both because of the of organizational dynamics and because of the very different nature of the program and, of course, the ever-present pressures to respond quickly. It was not a satisfying situation, it was very stressful.

What really got quite interesting and had the potential, I think, to make some sense out of this structure as well as much more importantly to take advantage of the experience that had been gained in Eastern Europe programs, was when the Soviet Union collapsed in 1992. In advance of that we had already initiated a major effort that tried to anticipate a similar kind of, but probably much larger, assistance program to Russia and the other former Soviet republics. Here was when what I would regard in a sense as one of the ugliest moments of bureaucracy that played out. Carol Edelman and the Europe bureau took a lot of the initiative to put together, to anticipate some of the events that would affect the Soviet Union and try to put into place assistance programs in the summer of 1991, a year before the actual events in the Soviet Union. Anticipating that a change was likely, the bureau created an Office of Soviet Affairs, as a precursor to larger assistance to the former Soviet republics. In the fall of that year and into the winter, we began to design some of the initial programs that would characterize the program in the new independent states, the NIS.

But, the leadership of the agency was not a fan of Carol Edelman and there were things that I don't understand even to this day. There were clearly some real issues between Ronald Roskins and others and Carol, which meant that rather than letting the Europe bureau develop this program and giving her and the bureau the support and confidence that made sense, a separate task force was created that was not led by the Europe bureau but by Scott Splangler, who was at that point the newly named head of operations. That was Roskins' experiment of creating his three directorates, one of which was operations that oversaw all of the geographic bureaus. A special task force was created under the directorate of operations to lead, ostensibly on an ad hoc basis, the effort to strategize and to conceptualize and to design the programs for the former Soviet Union.

Well, the Europe bureau participated in that and I was a principal participant, as was Paul O'Farrell, who was the head of the office for Soviet Affairs within the Europe bureau. In fact,

Paul was more involved in it than I was. We were involved over the fall and the winter with a lot of the planning activities which led to the program in the former Soviet Union, both the organizational structure within AID, the staffing and the Washington structure, and the programs. The programs were really built and modeled after the regional programs that had been put into place in Eastern Europe.

The dark moment came when it became time to move beyond an ad hoc task force planning a program to actually carrying out the program.. Rather than put that responsibility in the Europe bureau, the decision was made in March 1992-- a decision that made no sense to me at the time, and obviously other people agreed because it has been since reversed-- that a separate task force of a more permanent nature would be organized and put in place that would run the program. This task force would continue to report directly to the operations directorate and would not be part of the Europe bureau. I think it was only because of bureaucratic jealousies and not wanting to give to Carol the larger role and mandate that would have be implied if both Eastern Europe and the former Soviet Union programs were channeled through her bureau.

The Europe bureau had the relationships with the State Department, had two years of experience at that point in operating these kinds of programs, and to start all over again and create through this task force a parallel structure which duplicated the structure that already existed in the Europe bureau didn't make any sense programmatically or organizationally. It was a tremendous waste of time, a tremendous waste of resources, because all of that had to be duplicated instead of taking advantage of the resources that were there and the experience people had.

My involvement with the NIS program had largely been helping plan the whole organizational structure in the field--a little early thinking about field staffing, field responsibilities, where the subregional offices would be created, what kinds of staff would be appropriate. In addition, I worked closely with Paul O'Farrell in the office of Soviet Affairs and the technical offices to try to put together the project papers or the equivalent to that to make assistance available for the former Soviet republics.

As part of this effort in the early spring of 1992, the agency and the bureau were looking for people who could go out to the countries and begin to establish a presence there. In the winter of 1991/92 there was a massive airlift of food and warm clothing, so there had been a major high profile activity but there were no ongoing development efforts on the ground. The structure of what were to become the four subregional missions was still being sorted out. However, they wanted to have someone go out to each of the four places and begin to establish a presence and get things going. I was asked if I would go to Moscow to be the first acting AID rep there, for a month or so, to get things started. I was preparing to do that when two things happened. First was this decision to create a permanent NIS task force and to separate the responsibilities for the program from the Europe bureau. But, also, as I have said, despite the fascinating and historic period of time this was, there was a lot of stress and strains. This was not the kind of program that I had joined AID to be involved in. Not that it was unimportant. Unlike my comments earlier about Central America and Southeast Asia, I did not have a problem--philosophical or conceptual--with the program in Eastern Europe. It was something that I felt we should be

doing. It was very exciting and innovative. It just wasn't a development program. My heart and interests were, as I mentioned, to spend the rest of my career in Africa working on those kinds of development issues. That is what I had sort of grown up with, that was what I really wanted to focus on, and Eastern Europe and the former Soviet Union programs were not that at all.

So the combination of the stresses of the very fluid and unpredictable, undefined organizational situation and my deeper interests in being involved in the more conventional poverty-related development programs had, over that winter, motivated me to have a couple of talks with the Africa bureau again. I talked with John Hicks, who had been my predecessor in Zimbabwe as deputy director and who I knew slightly from that experience. He was now the deputy assistant administrator in the Africa bureau and had replaced the person who had kind of barred the door to my re-entry to the Africa bureau. I had a couple of conversations with John about possibly moving back to the Africa region.

As it happened, in early 1992 the rains in southern Africa failed, ushering in what was to be a significant drought in that part of the world.

*Q: Before you touch on the African drought and all that, let's get a little feel for at that stage what were the core ideas about the kinds of activities we should be pursuing in the NIS states in Eastern Europe?*

SMITH: I think there were three really. One was to help with the economic transition, the transition from communist economics to a more free market economic situation. That took a variety of different expressions, ranging from the creation of enterprise funds in each country to serve as a vehicle for venture capital and private investments and also assist with privatization of state-owned industries. On perhaps the other end of the spectrum were cooperatives. Agricultural cooperative organizations in this country were very much involved in the program. There were activities aimed at smaller businesses, as well as ones aimed at developing a legal and regulatory environment that would be conducive to private enterprise. So, it included a whole range of activities associated with conversion from a state dominated communist economic system to an open free market one. That was the first.

The second was democracy. That aspect of the program tried to strengthen the change that people in that region had made, recognizing that in Eastern Europe since the forties and in some countries since the beginning of the century, there really had not been any openness in a political sense, so the whole dynamic of democracy, both in terms of structures, the party structures and elections, etc., but more importantly perhaps civil society and the rule of law, the judicial system, the whole fabric of democratic society didn't exist. So, major efforts were put into that as well.

The third area was really related to social safety nets that were needed because of the other two transitions, the economic and the political transitions. It was recognized that there were going to be dislocations, there were going to be major hardships created by these changes. The question was how to help put into place safety nets for those whose standard of living was going to

decline. It was particularly focused on health care issues and social services. Where there was food assistance or other kinds of humanitarian assistance, it fell into that category as well.

So, I think they were the three principal focuses that first the Eastern European program had taken and subsequently the one for the former Soviet Union adopted. I think they were very appropriate. I talked a little bit about how the regional mission could serve as a model for the future of AID, and I felt at the time and feel still, that in some ways the kinds of programs we had were also models that had relevance for the rest of the agency. I mentioned that a lot of the players, a lot of the organizations that were vehicles for technical assistance or other assistance in the Eastern Europe program and later the Soviet program, were not the traditional consulting firms or PVOs that we had worked with. Some of them were there, too, but there was a conscious effort to reach out to a much broader range of organizations. I think that is relevant for the rest of the agency, particularly in Asia and Latin America, where there is more in common now than perhaps there was 20 or 30 years ago between organizations whose traditional focus has been in the US and issues and development challenges in those parts of the world. So, I credit Carol Edelman a lot for this change, for having a lot of foresight and being a dynamic advocate for the kinds of programs that broke the traditional mold of AID in a way that was quite relevant. I think these are areas where a little more openness from the traditional development side of AID could be helpful, not only in bringing to bear higher quality assistance, but also in creating a broader constituency, a broader base of support for foreign assistance operations. There is a little bit of a tradeoff there I suppose in terms of the control that you have and maybe the kinds of programs that you carry out, but I think that is a tradeoff certainly worth considering in other parts of the world. So, I saw and see still the Eastern Europe and later the former Soviet Union programs as models both organizationally for the agency as well as substantively and programmatically for the agency. But, I don't know that that has really caught on.

I think it was also part of this whole bureaucratic politics stuff that people tended to discredit Carol, to look at the Europe region and the bureau as something different. It may also stem from the fact that these programs came at a time when resources were already stretched and major new programs were undertaken in what was, at best, a zero sum situation in terms of staff. The Europe programs, given the priority that they had within the US government, were seen by others as taking resources away from them or competing with them, drawing staff and resources from the other traditional programs. So, rather than being an environment where the rest of the agency could look to these programs as models or suggestive of approaches to improve their management of their programs, it was really more of a competition and marginalization process which I think was extremely unfortunate.

*Q: You want to talk about Africa now?*

SMITH: Well, two things came together in the spring of 1992. One, there was a major drought which in the winter of 1991/92 was becoming evident in southern Africa, The US was beginning to think about gearing up a major relief effort that would eventually involve about ten countries in the southern part of Africa. John and I had talked and there was no office director position

that was available in the bureau in Washington at that time, but he was very interested in trying to find someone to direct a task force that the Africa bureau and the Food and Humanitarian Assistance bureau (FHA) was putting together to coordinate what seemed like was going to be a major relief effort for the southern Africa drought. He asked if I would be interested in doing that.

When the decision was made to create a more permanent task force that would have responsibilities for the program in the former Soviet Union and to take that formally out of the Europe bureau, I was pretty displeased, as I have indicated. So, even though I was scheduled to leave to go to Moscow within a couple of weeks to be the acting AID rep, I felt that that was not appropriate, that when the decision was made by the agency to take responsibility away from the bureau that I was in, that the bureau then be asked to go ahead and make that particular staffing contribution. This also coincided with the offer from the Africa bureau to come over to help coordinate the relief effort for the drought. So, at that point I said I didn't want to go to Moscow and what I really would like to do was to go back to the Africa region, something I had wanted to do for several years. This opportunity exists and really is something that would be much more in line with the kinds of things I am interested in. So, I asked Carol and David if they would allow me to do that and they agreed.

#### **New role as Director, Southern Africa Drought Emergency Task Force - 1992**

So, in April, 1992 after only about nine months, a fast and busy nine months, I left the Europe bureau and went to Africa again. Initially I served as co-director of the drought relief task force with Steve Brent, who was working in the bureau at that time; when he was assigned to South Africa a few months later, I became director of the task force.

This, too, was a fascinating experience and a highly successful one, I must say. The overview of the effort that I would give is that the US provided, in a period of less than a year, close to \$1 billion of resources to the countries of southern Africa. The US response was tremendous. The drought happened at a time when there were a lot of resources available for a variety of reasons. But this effort was also a success because of the degree of cooperation and concern that existed in the countries of the region and their ability to coordinate among themselves--even with South Africa, which still was an apartheid regime at that point. They were very pragmatic, working together on transportation coordination and other things. This made the effort in southern Africa an enormously successful one.

One of the things that hopefully contributed to that success was the coordination we were able to give to the program. As I mentioned earlier, the task force was created as a joint effort between the Africa and FHA bureaus. Much of the assistance we provided was food aid, which was managed by FHA. Disaster assistance was managed by OFDA, which was also part of FHA. The Africa bureau devoted a considerable amount of resources for development programs aimed not only at responding to the drought but also to improving communications and making the region and its economy more drought-resistant. So it was a true partnership. There were some

tensions and tugs and pulls from time to time as you can imagine, but I think it worked extremely well.

There was a steering committee, a group that was composed of people from both bureaus, headed by John Hicks from the Africa bureau and Lois Richards from FHA and a couple of other people, someone from State Department as well. Every week or so there would be larger meetings that would include people from throughout the government who were interested in the drought situation, including CIA, the military, Agriculture, OMB and a whole variety of different actors. There was good coordination within the government, a good structure within the agency. A small task force was organized and put together. I think at the highest point we had seven people working on the task force, but usually it was about half that number. In fact, it was more of a challenge than the coordination effort itself just to get people detailed to the task force to help carry out its functions. In 1992, the agency was enormously stressed in terms of personnel. At the same time the Soviet program was beginning to draw off people from the traditional development bureaus. So, it was really tough to get people detailed even for a few months to the task force. It was a constant effort to try to find people and replace people who had served a month or two and were going back to their positions, etc. It was kind of a motley crew that was put together: there were some IDIs on rotation and a couple of contractors and other folks who were there for a short periods of time. But, it worked out pretty well.

The role we played in the task force was essentially two or three things. One was to be a central point for information both about the drought itself and its consequences and what was happening in the region, as well as the overall assistance effort, so that everybody would know what everybody else knew. That was a primary challenge of ours, to be a central point for information about not only US assistance flows but European assistance flows and other UN agencies' flows, what the new needs assessments were, what was happening in the field and, of course, what the US government contributions were.

A second principal role of the task force was the public affairs, public relations side of things: making sure that the word got out about what the US was doing. We also staffed out, although we usually did not participate directly, a number of hearings that were held on the Hill about the drought and the relief effort. We coordinated with the PVO community through a special group set up with in InterAction on the drought. We basically served as a point of information and contact and public affairs to people outside the executive branch of the government.

The third key function that we played was to try to spot opportunities for programs, to play a little bit of a catalytic or promotional role around certain kinds of things that we thought would be appropriate responses, and then try to get the parts of the organization who were responsible for carrying out those programs to put them in place. We very consciously did not take on ourselves any implementation responsibilities. That wasn't the authority that was given to us and it wasn't appropriate for a small ad hoc task force that had very little continuity. But, what we did see as our role, where we thought there were opportunities, was to work with the Africa bureau or Food for Peace office to try to encourage them to carry out those programs, to try to

resolve bottlenecks or issues, or if there were communication problems between the two then try to work those out.

*Q: Comment a little bit about the scale of the drought issue as you understood it.*

SMITH: The scale was tremendous. There were major failures of the rains in that region the summer of 1991-92. Tremendous losses of crops. The production maize was 30-40 percent of normal. There were tremendous shortfalls that needed to be met by either relief food or commercial imports. South Africa, which was normally produced tremendous surpluses of corn, was also seriously affected and had no surplus at all, in fact was drawing down on its own stocks. Zimbabwe, which was the other surplus corn producer in the region, was very, very severely hit and complicating that, it had in the previous year or two sold off a lot of its substantial maize stocks to gain foreign currency for some of its expenditures. So the drought came at a time when Zimbabwe's buffer stock was at a particularly low ebb. So, there were tremendous problems, basically from Tanzania south, affecting all of the countries in southern Africa--Zambia, Angola, Malawi, Mozambique, Zimbabwe, Namibia, Botswana, Lesotho and Swaziland, as well as South Africa. Hundreds of thousands, if not millions, of people were at risk of dying from starvation or other drought related causes.

*Q: What was the main problem you had to address in trying to meet this need?*

SMITH: The main issues were transportation and supply. In both cases the response was magnificent, both from within the region as well as from outside. On transportation first. Much of the port system and rail system which serves southern Africa originates in South Africa. There was in the region at that time considerable antipathy between South Africa and its neighbors over its internal policies. And yet, despite that, there was a very close, if not very high profile, working relationship between the frontline countries and South Africa around port and rail transportation issues. There were even, and this was pretty hard to imagine in the environment at that time, government people, middle level people, from the governments of some of those countries who actually went and worked in South Africa with the transportation people coordinating the ports and rail system as a way of keeping communications going and working a whole structure of transportation in the region. There was an increase of our assistance to the ports and rail corridors from Mozambique into Zimbabwe and Malawi, and also some assistance came in through Dar es Salaam and Tanzania and down the rail to Zambia and across into Malawi as well. So, there was a lot of effort. The regional program in southern Africa was still headquartered in Harare and Ted Morse was the director there at that time. And, of course, Ted is one who is very experienced in emergencies and played a key role and was sort of a local, on-the-scenes or in-the-region coordinator for a lot of the US assistance. The whole transportation mechanism worked extremely well.

The other side was supply. There was a lot of flexibility even within countries to swap supplies, to use what buffer stocks there were, for some commercial sales from South Africa to other parts of the region, even though South Africa, itself, was under a bit of a strain. On the US side, as I mentioned before, the response was absolutely tremendous. It was just a coming together of

somewhat unique circumstances that haven't been repeated since. There were in the US at that time substantial corn stocks and the Department of Agriculture, in particular, had a lot of corn available through its Section 416 programs as well as Title I of PL480. In fact, most of the food, more than half, that was provided by the US in response to the drought was Department of Agriculture food, not AID food. It was close to a billion dollars worth. Hundreds of thousands of tons of corn were provided.

Another feature which I think was really innovative was that pretty much for the first time AID approved some PL480 Title II shipments to the region without designating in advance where it would go. It was kept there as a swing stock, allow us to see how things went in terms of the needs and how the individual countries were doing in terms of the pledges that they were receiving for food and other assistance from European countries and UN agencies. We actually had an ability to respond even before the major appeal was out for food assistance, because we had something like 45 thousand tons of corn that were literally on the high seas as the emergency was beginning. We were able to use that in a flexible way, and most of it ended up going to Malawi, which was at the end of all the rail lines, the most distant point from any of the ports and the most difficult place to get to. In that way we were able to head off some major suffering and problems in Malawi.

So, the internal regional cooperation on transportation and commercial purchases among countries, cooperation between the frontline countries and South Africa, which was somewhat without precedent, and then the generosity that was available from the US and the flexibility in terms of moving things, etc., made it a very successful relief effort. The next season the rains did come again and although there wasn't a bumper crop by any means, the drought in effect was over and the relief effort had been very successful in averting any widespread disaster or death.

For the first few months Steve Brent and I shared the leadership responsibilities for the task force. Steve handled most of the external relations issues and I handled a lot of the information and program response questions. We shared the overall direction of the task force. Steve then left, I think in September, and went to South Africa on assignment and from that point on until I left the task force in December, I was the director of the task force. But, the role that I personally played was to define and oversee each of the areas that I mentioned before. First was being the staff to the two bureaus and the three offices involved in this, the Africa bureau, the Food for Peace office, and OFDA, for issues related specifically to the drought. We didn't carry out implementation responsibilities. We were there as kind of the catalyst, the coordinator, to make sure that things were going on. We acted as the secretariat for the meetings of the principals, documenting the agreements they took and following up with the different offices to help trouble shoot any problems or to get things done.

We coordinated all the information on pledges, on deliveries, from other countries and organizations as well as our own, so we could track the performance of the response to a major appeal that had been organized for the region in May of that year. My personal responsibility was to oversee the person who was handling the information activities and make sure they were timely and got to the right people and were up to date.

And, then, third, I played more of an external information role, participating in various meetings about the drought and US response to it, and was a spokesperson for issues related to that. At some meetings InterAction organized, we were the interlocutor with them; we served as staff in preparing some of the testimony that both Lois and John gave on the Hill about the relief effort; and had some meetings with staff of different committees on the Hill ourselves.

Then, not unimportant, my role was to keep the task force staffed so that we would have some people to carry out these functions. That actually turned out to be one of the more difficult aspects of this whole thing because of the situation I mentioned before.

*Q: Was there any particular lesson that stood out from that experience?*

SMITH: Well, I think the lesson is one that reenforced my earlier experiences and that is, where there is commitment, where there is concern, on the part of the countries where a natural disaster is occurring then an international response will be much more successful in attracting resources and they will be much more effectively used. When you contrast the drought experience in southern Africa with similar relief efforts in other places of the world that maybe have been the result of natural causes like drought, and more recently civil wars and other kinds of things, the difference between the southern Africa drought and some of those others is largely explained by the fact that you have in southern Africa by and large countries with governments that took responsibility for their countries, which cared for their populations and took pragmatic actions that were designed to meet the needs in their countries. They did not play politics with it, did not use food assistance as a tool in an ongoing political, or in some cases, a civil war situation. Not that none of the countries in that region are not corrupt, but in this case there was very little of attempts to profit from the relief effort, not a Somoza in Nicaragua after the earthquake in the late seventies situation. But there was a sincere concern and interest in relieving the potential hardship and suffering of the people. I think that is what really made it successful.

I guess in another way it validated the organizational approach that we took, which isn't always the approach that AID has taken with its task forces for relief efforts. We very consciously played a role that was facilitative, was catalytic, was information sharing. We did not take on a role as a SWAT team that would serve as the channel of our resources, a special task force that took responsibility away from the line offices that are in charge of that. Our role was the opposite. We were the ones at the center, but it was just a small core, and our job was really to help the other offices carry out their responsibilities better. Through the lens of the urgency of the southern Africa drought, we tried to make sure it got priority attention among all of the other demands that these offices had to respond to. We tried to break through bottlenecks and figure out what the problems were and that sort of thing. So, our role was not an implementing role but was really to try to get others to do their job. This didn't take responsibility away from other, and even though we were a small group ourselves, we really had, in effect, the staff and resources of all of those other offices to respond to the drought.

*Q: Good. Does that pretty much cover that?*

SMITH: I think that covers that. Two things were happening by the end of that year, 1992. One is that, despite John Hicks' and my earlier discussions about possible more permanent assignments in the Africa region, it didn't look like anything was actually going to be opening anytime soon. There was an interest in continuing the southern Africa drought task force, and in fact making it into something of the core for a more permanent organizational fixture in the Africa bureau to handle complex emergencies and droughts. One of the crises that was coming on the scene very much at that time was the Somalia situation. As would be obvious from the comments I just made on the success of the drought in southern Africa, I didn't see a lot of those same characteristics in Somalia, but instead a lot of bickering, a lot of foreign policy considerations coming into play there that were more competitive and formed by different world views than was the case in southern Africa. I enjoyed working on the drought for a number of reasons, because of the constructive and positive attitude of a lot of the agencies, and also because it was southern Africa, the region that I had worked in and knew. But, I wasn't really interested in making that a major focus of attention, particularly if it meant getting into some of the more complex issues politically like Somalia.

#### **Assignment as deputy director of CDIE - 1992**

At the same time I had conversations with John Eriksson, who was the director of CDIE, and Wendy Stickel, who had been the deputy there and was leaving for another assignment. John was looking for a deputy. I decided that that would be something that I would really like to do.

I guess I should say at this point that, at the end of 1992, the last two and a half years had been pretty much of a roller coaster for me. I had gone to the War College for eight or nine months and had kind of a mixed experience there; I had real difficulties getting back into the agency and into assignments, particularly the Africa region, that I was interested in; I had spent nine months in the Europe bureau which was very stressful and difficult, and then I ended up going for seven months to the task force for the southern Africa drought. I was beginning to feel that I was adrift, that there wasn't much of a place for me in the agency anymore. The agency had changed a lot. I felt the traditional development programs were being eclipsed by the new priorities in Eastern Europe and the former Soviet Union. Resources were declining. The political priorities of Israel and Egypt and to some extent in Central America were still very high. None of those things were what I really wanted to do. Africa was still an attraction, but for whatever reason things weren't working out for me to get back there and play a significant role in the Africa bureau.

At that point it was clear to me that within three years or so I was facing the expiration of my time in class in the senior foreign service. We, my family, had made a decision that we wanted to stay in the Washington area. In 1992, I had one son who was a junior in high school and the other one was in eighth grade, and we wanted to stay here for the duration of their high school years and not think about going overseas for some time. So, I guess I was looking for an opportunity to do something that I really would enjoy, but with the view that it would probably

be my last assignment. I wasn't looking for something that would necessarily be a step up the ladder in the conventional sense, not something that would likely get me promoted. This was not an unhappy situation in some respects, because I had felt a growing distance between myself and the agency and the kinds of things that it stood for, and was thinking that a pre-mature retirement would not be an altogether negative thing.

So, when I talked to John and when the offer to be the deputy director of CDIE was made, I really looked at it in a very positive way. I considered that I had a significant period of time, two or three years, where I could try to get back to some of the roles that I played in Ecuador, where I could become involved with a substantive program and make a contribution to the agency. It was kind of a step sideways or backward again, but it was something that I would enjoy doing and something that would be a good place to spend my last few years in AID. And, so, in December 1992, I moved over to CDIE as John's deputy.

That started out to be everything that I had hoped it would be. CDIE was carrying out an excellent series of activities, very much at the core of a lot of what AID was beginning to grapple with in terms of the whole results orientation and strategic planning.

*Q: Do you want to elaborate a bit more on them?*

SMITH: Yes. CDIE had and has still three key roles or functions. The first of those was the traditional central evaluation function. An office that conducted evaluations, cross-cutting evaluations, of agency programs in a variety of specific areas.

The second was the development information function which included the AID library, the repository of AID's institutional memory on its program experience. This memory, I remain convinced, is one of the greatest assets of the agency and is unlike anything that any other donor agency has. Within its research and reference service, a core staff of researchers were able to work with that information data base and provide tailored and specific responses to questions that AID officers and others had about AID's experience and help them incorporate them in their program design or implementation activities.

The third area was a relatively recent one that began in the nineties, called performance measurement or performance monitoring. In the late eighties or early nineties, partly as an outgrowth of an attempt to try to get more information about the results AID programs were having across the board--not just through anecdotes or a small set of crosscutting evaluations, but more to sum up what results the agency was having--CDIE helped to support, first on a pilot basis and then institutionalizing this in Africa and Latin America, a process of program level strategic planning, identification of objectives and results, and systems to measure progress made toward those objectives over time. The key impetus for this began in Africa in the mid eighties in the legislation that was approved for the Africa region and created the Development Fund for Africa. The Development Fund for Africa allowed the Africa bureau much greater degree of flexibility in its programming. Up to that point, AID's programs were all funded through one of five or six accounts. But the Development Fund for Africa gave the Africa bureau the flexibility

to make decisions on programming irrespective of those functional accounts. In exchange for that, the legislation asked for more reporting from AID on the results that it was accomplishing with those resources. So, the Africa bureau first, in 1987-88, began to put in place this more program level planning system of defining key objectives for its assistance efforts and then indicators of performance at different levels. Building on that experience, CDIE worked with the Latin America region, and to a lesser degree with the Asia bureau, to try to extend that approach.

Out of that, by the early nineties, by 1991 or 1992, emerged what was called the PRISM system or the Program Performance Information for Strategic Management system. It was a system for defining, at a program level, certain key strategic objectives for AID's programs in a particular country, some intermediate outcomes--initially called program outcomes--that were more specifically the result of AID activities, and then a series of performance indicators at both the strategic objective and the program outcome levels through which performance towards meeting those objectives would be tracked.

At the time, in the early nineties, this ran parallel to the project system. There were still projects which had their own goals and purposes and outputs and all, but the attempt was to try to rise above the individual project structure to make more sense out of what we were really trying to accomplish, what were our key goals in a particular country. CDIE was the central coordinating point for this effort. We had a major institutional contract that provided technical assistance to missions in conducting those planning exercises and in dealing with performance measurement issues and eventually in helping us to report at an agency level the information on results that was coming out of that system.

When I first went to CDIE in December, 1992, we were putting together the first annual report on program performance of the agency that drew from that PRISM system. A draft was already in place. One of the first things I did was to work with the people in the performance measurement office and try to improve or edit the draft of that report, to try to make the most sense out of--and the most easily read case that we could make for--the information that was coming out of that system.

My role in CDIE as the deputy director was mostly the internal management of the office. One of the priorities I had throughout my time there was to try to work to take the maximum advantage of synergies among the three organizational divisions of CDIE, the evaluation, the development information and the performance monitoring functions. I think the history there had been pretty much that those operations were grouped under CDIE administratively but each largely carried out its own thing, with some degree of information exchange with the others, but did not exploit the kind of synergy that I thought potentially existed.

So, one of my principal personal challenges and tasks was to try to look for ways that those divisions and functions could work together more closely. I realized that, in terms of the organizational chart, it was only at my level that all of them came together. As the deputy director, I was in a unique position to know what was happening, for example in the development information area, and try to pass that on to the performance measurement or evaluation offices

and make that input into what they were doing, and vice versa. I tried very consciously to play a role of facilitator, the communicator and say, "Hey, you guys should get together on this," or to begin to look for opportunities for mutual reinforcement between the different kinds of things.

Actually, throughout my time in CDIE that was something that I did do and from all reports, including by the people involved in CDIE, some of whom had been there a number of years, we did give that more emphasis and were quite successful in promoting that sense of one office, one center within CDIE and looking for ways for people to reinforce each others work. I think that was a success. There is a lot more that can be done in that area, there are always centrifugal tendencies for people to go off and do their own thing, but I think that was one area that did work out pretty well.

The real frustrating part of this and, of course, the part that really upset my vision of this a nice place to go for my remaining AID life where I could try to make some progress on some very important things and make a contribution to the agency, was the fact that a new administration came in just as I went over there. I went to CDIE in December, 1992 and elections were in November, 1992 and in January a new administration came in. It is really hard for me to express the sense of frustration and, in some ways, dismay that, personally, after having survived twelve years of Republican administrations and really wishing that AID were focusing more on the poverty related development issues that certainly had been a priority in the Carter administration, that when a new and like- minded administration came in, that they would treat me and us generally as the enemy. But, there was very definitely that edge to things. There was a feeling, I think, among many people--I won't attribute this to Brian Atwood but to several people under him--that the career people who had been in the agency for a long period of time and through the twelve years of Republican administrations were part of the problem, couldn't be trusted. It was like welcoming a liberation army only to be accused of being collaborators with the regime that had been overthrown.

Much more specifically, and something that had serious ramifications for CDIE and for me personally, one of the priorities the new administration had was to focus a lot more on results. AID was under attack, was in a crisis period without precedent in the history of the agency, not only from the congressional side but from the think tanks and others. There were lots of reform and reorganization proposals--combining AID with the State Department or just tearing it up and throwing it away all together. There was a tremendous crunch on resources. It was not a good environment for the leaders of the agency.

But, this recalled my Haiti experience with the different styles of Jack Vaughan, on the one hand, and John Bolton and Peter McPherson. This was, curiously, the John Bolton/Peter McPherson approach of coming in and discrediting anything that was happening already and saying to step aside, they had the solutions, and you guys are part of the problem. This happened specifically with respect to the whole PRISM and our performance monitoring experience. No one would say the system that we had and the reporting that we were able to provide based on it was perfect or met the needs entirely of the agency. Yet it was a start, and I thought then and think still that

at least 85 percent, if not more, of what the new administration wanted out of a program performance results system we already had and was there to be built on. It put the agency substantially ahead of most of the rest of the US government when the Government Performance and Results Act was passed in 1993. But, rather than be open to that or be open to learn about that, or even to say, "Okay, you guys have done a decent job here but here is what we want and let's see how we can build on what you've done to move this system in the direction that we want," recognizing that about 85 percent of what they wanted was there already, the administration, in the person of Larry Byrne, very much discredited everything that had been done. They said that PRISM was not what they wanted done and was worthless. They made a number of attacks on the system as well as on the people who were associated with it. I wasn't really associated with it because I hadn't been there but a few months at the time so it wasn't anything that I had any particular vested interest in. But we all got painted with the same brush.

In addition to that, as part of the discussions and process that Larry Byrne led on the reorganization of the agency, which to some extent reflected this programmatic emphasis on results, he basically proposed that CDIE be dismembered and split up and done away with.

My reaction to this probably can't be separated from the fact that I had gone to CDIE to get out of the mainstream and to find a nice development-oriented management role that I could have to spend my last three or so years in AID. So when, in the summer of 1993, six months after I got to CDIE, the whole organization came under attack and with that, implicitly, my ability to stay there for a few years, I reacted very negatively and probably overly defensively. Over that summer of 1993 we engaged in sort of bureaucratic guerrilla warfare, I suppose, with various proposals and counter proposals and responses to the reorganization proposals and that sort of thing. It was one of those things that you win the battle but lose the war. In the end, through all of the reorganization proposals and things like that, CDIE remained intact, but we lost the war in two senses. One is that virtually all John and I did that summer. and all of 1993 really, was to defend ourselves from attacks and try to orchestrate a process that would result in the continuation of the Center for Development Information and Evaluation. But, maybe even more fundamentally than that is that we got ourselves very definitely on Mr. Byrne's wrong side. I don't apologize for that at all. Now, from the perspective of being out of AID for a while I can see that that wasn't necessarily a strategy designed to succeed, but it was, I think, the morally right strategy, but then that can sometimes can get you into trouble.

The effect was that those battles, those skirmishes, never ended in all of the time I was in CDIE, They continued until the time I left and maybe continue still. They continued through the whole re-engineering process, which was led by Larry. Again, I maintain that if you take a look at the systems that came out of reengineering and compare them to what CDIE was doing and the programs that we had in 1992-93, the parentage is very obvious. We played an active role in much of the reengineering, but there was always this undertone of discrediting CDIE and what we were doing. This competition between the re-engineering effort and CDIE made that whole process one that was personally very unsatisfying and stressful, but also one that I think from the agency's standpoint really was suboptimal and did not really allow us to build on the progress that had been made and to work that into a new system for the benefit of the agency. The

agency lost a lot in the skirmishes and battles and the bureaucracies and not taking advantage of what we had done in a constructive way. I suppose we all bore some responsibility for that.

*Q: The PRISM work continued?*

SMITH: The PRISM work continued and was folded into, has become the basis for, the re-engineering. So in the end, PRISM wasn't dismantled. We spent a lot of time talking about how to marry its country program focus with more of an agency level framework where at the agency level you could say something about what AID was doing on a number of key agency goals.

*Q: Was there any fundamental difference between the two?*

SMITH: The biggest difference revolved around what could be labelled "top-down vs. bottom-up". What Larry and others wanted at the agency level was basically to start with some key goals of AID as an agency and then to break those down into the tactics that the missions would carry out in order to accomplish those goals at the field level. The PRISM system had started from the opposite perspective. It was an individual AID mission or country based strategy planning process. While there were some unifying factors in terms of the kinds of things that AID did, there was no attempt from the beginning to make the statement of objectives or the indicators the different missions were using the same. So, when it became time to add up what the agency was doing above the level of individual programs, it was very difficult to do. What they were more interested in was saying this is what AID is doing, not what AID in country X was doing.

*Q: Did PRISM provide some kind of programmatic framework so the missions weren't free to do anything they wanted to do?*

SMITH: Well, PRISM didn't, the agency's strategies and programs did. The various initiatives that Ron Roskins and that administration...

*Q: PRISM fitted within that framework?*

SMITH: Yes, but it was neutral with respect to any prescription saying here are the areas within which AID will operate. It was a strategic planning and information system that attempted to capture what missions were trying to do, but didn't limit the menu from which they chose.

The approach that was eventually constructed was one that drew from the Strategies for Sustainable Development that the new administration wrote in 1993. From those strategies, what we came to call a "strategic framework" at the agency level was put together that began to define in terms of goal statements the areas which the strategies said AID should be doing. Those goal statements were used then as a framework, and over a couple annual iterations, missions use this framework to cast their own strategic objectives in a way that was consistent with the general areas that were stressed in the strategies. Rather than having a whole series of mandated performance indicators that would be the same across all programs that were similar, we began

to use the strategic framework as a device by which to categorize programs that may have been using different statements of goals or objectives and indicators, as a way to group and to categorize and to aggregate these programs. This was not an arithmetic summing up of indicators in each area, but it was a way of grouping for analysis the kinds of programs that were underway and then looking more closely at these programs and telling the story from that standpoint. So, it became a little more subtle and not exactly an exact aggregation of the program experience in, say, ten different countries, but it gave a device, a structure, for looking at those ten programs and trying to say, "Okay, here is what those programs seem to be accomplishing and there are some that are doing very well and some that are not doing very well." Then relating it to the agency program in that way.

This was the result of several years of back and forth during which some of us, and I will include myself in this, resisted fairly strongly the notion that there should be a top-down system. We felt the development challenges, the development situations in the countries where we worked defied coming up with identical statements of goals and objectives, and identical performance indicators in those countries. The countries had tremendously different levels of development and each had indicated what would be appropriate or a target in their situation, and certainly what would be appropriate in one country was completely different from what would be the case in another country. So, that battle played out over time, as to whether you really could come up with an arithmetic aggregation and summing up of everything we were doing, or whether what we were doing at the level of the 80, 90 or 100 countries in which we were involved was something that was similar and allowed a certain degree of aggregation and comparison, but was in its essence so different that it really didn't allow for just adding up the results that were achieved in all of those countries and coming to some meaningful statement about this is what AID did.

One of the areas that I think was reasonably well founded in the criticism of CDIE that was made in those days was the evaluation work that we did. It took too much time and was not relevant to what people in the agency were doing and was not used in any meaningful way to improve programs. There had been in the evaluation office a bit of a pendulum swing. There was a period, I guess, in the eighties where the evaluation work was funded at a fairly modest level. Around 1990 a lot of the attention was given to evaluation by Ronald Roskins, the administrator. In fact, one of the initiatives of that administration was something called the Evaluation Initiative. That was done in reaction to what was perceived to be a variety of shortcomings in the central evaluation function. It described a new and reinvigorated evaluation function that would be funded and staffed at a much more significant level. The evaluation initiative incorporated the PRISM performance monitoring experience as well. But, in terms of evaluation studies themselves, it said we really needed to do more of these and needed to put more resources into them and the studies themselves need to be rigorous, much more independent and credible.

The response to that was a lot of money and a build up of staff, but also putting into place a number of procedures the effect of which was to make the evaluation studies a much longer process than probably had been the case up to then. There was more emphasis on approvals at

different stages, and the concept of external reviews of evaluations, both in the design as well as various drafts, was incorporated. The evaluation initiative focused a lot of attention on rigor, independence, objectivity, the whole notion that the evaluator should be apart from the organization so as not to be influenced, not to corrupt any findings that a real objective examination would indicate.

I think those changes by themselves didn't necessarily translate into what occurred, which was that many of the evaluation studies that were begun under the initiative in 1991-92 still weren't finished two or three years later. But there were two things that did occur and I think helped cause that effect. One is that it took a year, really, for the staffing of the office to build up to reflect the increased levels of the initiative. This is the same period we were talking about before, 1991-92, when there was tremendous competition from the new programs in Central and Eastern Europe and the former Soviet Union. It was the same issue that we had when we were working on the drought task force. Resources were just getting very thin and it became a competition and a struggle and a less than zero sum game. So, people who were taken to fill positions to build CDIE came at the expense of others and that created some ill will and left a bad taste in the mouths of the evaluation officers in the regional bureaus, for example.

The other thing is there wasn't the kind of teamwork that there might have been in the implementation of the evaluation agenda. Instead, the evaluation office built up to maybe 15 people, and it may be a slight exaggeration, but only a slight one, to say that everybody had to have their own study, to do their own thing. What happened was we started about fifteen different things, all of which were interesting topics. But the resources weren't grouped to try to get any of them done with any particular priority or urgency, so they all kind of took their own course. As a result, for the first couple of years very little was produced.

The other process was that, again with some exceptions but not many, the agenda was set largely by the evaluation office based on the kinds of things people in the evaluation office thought were the topics that would, first, be important to the agency, but also were of interest to them.

*Q: Wasn't there an evaluation agenda produced?*

SMITH: There was an evaluation agenda produced and it was reviewed.

*Q: Based on discussions with the agency?*

SMITH: It was approved by the administrator and discussed in various iterations. My sense is that the discussions were really more of a reaction to the ideas that were put forward by the evaluation office and people saying, "Well, okay," rather than a process which attempted to elicit from managers throughout the agency what were the areas concerning them, the questions that they had that could be addressed through evaluations. It was much more a list that was put together of interesting topics, and people who had very busy schedules reviewing them and saying they had no problems with them, rather than suggesting topics that they could really use and which responded to a priority that they had.

So, you had three things at work. One is that there was a distancing between CDIE and the rest of the agency because we were taking some of their people. There was an agenda put together that I think was largely based on ideas that the evaluation office had that were kind of endorsed but without much ownership from the rest of the agency. And you had a process where everybody was doing their own thing, so everything was taking a long time to do.

Well, jump ahead two years and we were just beginning to come out, in 1993-94, with some of the studies that were started in at the beginning of the evaluation initiative. First of all, of course, there had been a change of administrations. Secondly, I don't think there was much ownership for a lot of the studies in the first place. And thirdly, even if there had been ownership two or three years ago, there was not much involvement of people who had expressed some interest in those topics in the process itself. So, what was happening was there wasn't much constituency for the evaluation work that was being undertaken and there wasn't a burning interest by people in the rest of the agency for the work that CDIE was doing. CDIE became, in this environment of reorganizations and the internal bureaucracies of things, an easy target.

*Q: What were some of the studies that were completed during this time?*

SMITH: The one that is an exception to what I have said is one that was done on AID's field missions and how they operate, the comparative advantages that they offer. That was one of the first studies, more of a management study, that was carried out in this period and actually got fairly wide attention. Unfortunately, it was finished just at the end of the Bush administration and therefore didn't get much use until two or three years later.

*Q: Was there a study on micro enterprises?*

SMITH: There was a study on micro enterprises. There were several studies on the environment. There were studies started on capital projects, financial policy reform, child survival and population programs.

*Q: These weren't relevant to the agency's work?*

SMITH: The population study and child survival study were areas of continuing interest. The population study was never published because the quality of the work that was done was not up to standard. The child survival one was published, but it was done in a way that was consistent with the view of the evaluation offices being independent and objective. In other words, it was not done in a way that helped to build ownership or understanding or a constituency within the health office of the Global (or Science and Technology, as it was called earlier) bureau. So, even though 85 percent of the conclusions were positive in terms of the experience that our child survival programs had, the ten or fifteen percent of it which involved some constructive suggestions for changes or ways the program could be improved were taken more as a threat and a criticism by the health office. So they engaged in a long exercise to discredit the study and to work against its dissemination and its broad application.

The capital projects study was one that really wasn't that relevant to the kinds of new policies that the Clinton administration, Atwood administration, was emphasizing. There was one study of capital programs in Egypt that was done and ran into tremendous problems there and was cut short and left a study with only one case.

There was an agribusiness evaluation that did go through a number of case studies and was published. There were a couple of meetings and seminars held on it and that was kind of it.

There was an environment series which was in the design stage in early 1993 when I was arrived in CDIE. Some of those reports are just now coming out. It eventually got split into three pieces and in some of those pieces there was a little more effort to involve people from the agency who were involved in those kinds of things, but it just took forever.

The more successful ones were in micro enterprise finance, and to some extent, venture capital. They became successful, I am convinced, because over time we changed our approach to the evaluation agenda to focus on things that people really had a particular interest in. We shifted the scope of those studies to be things that responded to questions that people had or were curious about. They became more customer oriented.

*Q: They were less evaluation of a long history of activity and more exploring of new fields?*

SMITH: No, they were both. The micro finance one looked at a dozen or so of the world's most successful micro finance projects, not all of them AID financed, and tried to distill from that experience what were the factors in their success. The venture capital study looked largely at the experience of enterprise funds and some of the earlier efforts in venture capital kinds of programs, mostly in Latin America, but the focus was largely on enterprise funds because those were a new program activity in Eastern Europe, and were being seen as something that would be relevant in places like the West Bank, South Africa, as well as the former Soviet Union. So, there was an interest in knowing what the experience had been with the enterprise funds in Eastern Europe. There was a constituency for that.

Over a couple of years we did two or three things to respond to the situation I've described. First of all, the original evaluation agenda was a rolling agenda over three years, allowing a lot of things to be included. We cut back the agenda basically to be the things that we would work on this year, making it a one year agenda and more of a work plan. The second thing we did was to try to get a lot more input from people in the formative stages of the evaluation agenda. To say, "Here are some of the things that we have thought about, or are underway. If you have some topics that are of greater interest to you, we have the flexibility to take some of these things off and put some of your things on, because we want to respond to the things that you are working on." We also said that this was not going to work if we had fifteen people working on fifteen studies. What we needed to do was maybe choose three or four each year and put four or five people on each of them and get them done, and then move on to the next ones. In this

way we would mass, or group, our resources to focus on things and deliver them in a shorter period of time.

Over the course of the time I was there, that is basically how we shifted to become more plugged in to the kinds of questions that people had that could be addressed through evaluations, and to complement the things that were coming out of the performance monitoring system with evaluation studies. We also tried to incorporate more of the work of the development information office by having the research and reference service do some of the initial desk studies that would help to form a baseline for the evaluations. We also explored ways to communicate the findings of the evaluations, first more quickly, but also in ways that were more conducive to people reading them and learning from them.

*Q: One of the questions I have about evaluations is doing evaluations to meet an immediate requirement for current programs, and those evaluations of longer term, historical impact studies that may not be of immediate use but tell the history of what the agency does. Is there any merit or recognition of the need for the latter?*

SMITH: Well, I think there is. I think this is one area where the performance monitoring and evaluation issues come together. Both functions, I think, have two roles. One is to help improve programs and the other is to give a sense of what results are coming from those programs. I think more retrospective evaluation plays an important role in learning from the experience that AID has had, or any agency has had. It also contributes to an ability to report internally or to others what have been the results of the programs that have been undertaken. So, I wouldn't limit the role of evaluations by any means to topics that are of current interest.

I think the challenges are two. One, particularly in an environment where resources are limited, is to find a balance between things that people see a ready market for applying in the current programs and those that are, if you will, are one step back, retrospective, documenting for history, the nature and accomplishments of the program. Particularly when there is a stress on resources, the ones that have more immediate application will be in greater demand or will make a greater case for resources. But, irrespective of what the major object of conducting an evaluation is, whether it is for something that is perceived as having an immediate application in the next generation of activities or maybe even the same generation of activities, or whether it is something for longer term learning or documentation of agency experiences, it is very important that they be in a form and be communicated in a way that people who have access to them will be able to learn from them. I think that is a key challenge for people in busy organizations that don't usually have time even to take care of all of the things that they feel they need to do for their own daily tasks, let alone reflect on something that is not part of what they are responsible for day-to-day. So, the challenge, I think, is to find media for communicating the findings of the evaluations that will be conducive to the way people learn and will allow them to internalize those lessons. But, I think particularly in an environment where resources are thin--certainly in the environment that existed in AID the last few years, and I'm sure this is true in other organizations as well--where there is a real questioning of the value of different allocations of resources, money as well as people, there is a real need for the evaluation function

and the performance monitoring function and the development information function to be relevant to the needs of the agency and to communicate its findings in a way that people will be able rapidly to understand and to adapt to their situation.

*Q: Well, that brings us to the development information piece of your triangle here. How was that working?*

SMITH: I think it was working well and continues to work better. The development information function was, of course, one of the targets of the reorganization proposals from 1993. There was, I think, a very clear misunderstanding in some people's minds of what the development information function was. Some people thought that since it had information in the title it must be the same as information resources management or IRM and that it had to do with computers and those kinds of things and therefore should really be part of an IRM function in the agency and part of the management structure that exists. I suppose there are parts of it, if you want to look at it objectively, that could fit there. The whole filing or documenting of the agency record could be a program or a management function. But, the real important attribute of locating the development information function with the central evaluation office and in the policy bureau of the agency was to make it a resource that could be tapped by people in policy development, in program development and program implementation, not just simply part of the formal documenting of the agency's history in a more management sense. So, I felt there was and is a major interrelationship between that function and the other two functions of the office.

I think that function has performed very well in the last ten years. It has moved away from being a passive library type function into being a much more proactive outreach device. It has served as an effective channel for evaluation lessons, as well as other things, and a capacity was developed there to respond in a tailored way to the questions and concerns that AID officers have overseas and in Washington. There was a view, and maybe it will come to pass someday, I don't know, that if all of this development information were just made available through computer systems to the agency officers than you could do away with the interactive research and reference service. People could do their own research from their own computer desktops, or whatever. I think it is true that some people will be able to do that. Some people are inclined and want to sort through all the mass of information that is there from AID experience and the experience of other organizations and from other sources. But I think there is a significant group of AID officers who, at least for the foreseeable future, will not feel comfortable doing that, will not have the time to do that for themselves, and for whom it is a great service and a much more efficient service to have a resource there they can query and say "here is the problem I am facing" or "here is the task that I am looking at" and "what can you tell me from the agency's experience that will help me in carrying out that task?" And, that is the role that the development information function tried to play. I think it has done that very well.

There were a number of steps that were taken to integrate it more closely with the performance monitoring and evaluation functions in CDIE. I think there remain some that could be taken, but in general, I think it is a very valuable service and is often the link for feeding the results from

evaluations or analyses of results through performance measurement systems back into the system in a very tailored and specific kind of way.

*Q: Anything more to wrap up on CDIE? I think one of the issues that you touched on relates to the interest in an agency in learning from its experience. So often we confront people who don't want to know about the past. How do we deal with an organization that doesn't seem to be concerned about what its experience has been or as time goes on considers that experience no longer relevant?*

SMITH: It is a challenge for the evaluation office to know enough of the function of the agency and what it is like to be in those more operational roles, to have a sense of what that is being discovered from evaluations is relevant to those people and to those roles. This is one of the arguments, I think, against isolating the evaluation function. What is often done under the guise of objectivity and independence removes people from the line management functions in a way that gives them less and less insight into the kinds of information that will be helpful to those people. So, I think it is important for the managers of that function and for the people performing it to be in touch with others in the agency. That is not at all to say that their recommendations should be slanted towards sort of making apologies for poor experience or that only the kinds of things that are of operational importance today should be looked at. I believe it is possible to have an independent and objective view of the performance of a program or a project or a whole function in the agency, yet still be engaged with people in a way that gives one a sense of what their priorities and needs are so that you can serve those needs with an independent and objective and well done analysis that will be credible and useful to them.

The last little chapter, perhaps, on the CDIE experience that responds to this in part. After John Eriksson retired at the beginning of 1995, Janet Ballentine was asked to come back to CDIE as the director. She had been the director previously for a couple of years in the late eighties. One of her major emphases was similar to what had been one of her priorities in the late eighties and that was to get underway a series of what were called "impact evaluations" that would be done very quickly relative to the length it was taking for the more traditional work, and also be presented in very short readable sort of *New Yorker* style format, a style that people would find easy to read and short to fit the time schedule of busy managers. So, throughout 1995 we made a major investment and dropped a number of other things that we were doing on the evaluation side in order to put resources into two impact evaluation series. One of them was in the democracy area that focused on legislative strengthening programs in four or five countries. The other was on energy conservation, a topic identified in a series of discussions that we had. The legislative strengthening series was regarded as a priority by the democracy office in the Global bureau and was viewed as something that would be of use to them in programs they were planning for the future. Likewise, energy conservation was viewed as a priority area that was rising on the horizon for the environment and energy people and was a nice complement to the work that we were just finishing in biodiversity and forestry and sustainable agriculture in the environment sector. So two topics were chosen as the focus of a series of impact evaluations and then a synthesis paper in each area.

Janet, about mid year 1995, moved over to be the senior deputy assistant administrator in the PPC bureau and I was then selected as the director of CDIE to replace her, although at that point it was clear that I was leaving in May of the next year. One of my principal functions, both while she was there and after she left, was to try to get the impact evaluation series organized and conducted and presented in a way that met her vision and the vision that Brian Atwood had through her of what they might be. This, in some respects, was the toughest task of all, because it involved a significant change in the mind set of the people who had been staffing the evaluation office for a number of years and the whole style of writing evaluation reports. And frankly, the way it was approached was not a way that insured the ownership, or understanding, or necessarily anything other than the tacit support of the evaluation staff. So I don't think they were ever convinced that this was the way to go. They did it because someone told them to do so, but somewhat grudgingly. As a result, the degree of teamwork and cooperation that I would have liked to have seen, the degree of openness, of experimentation and enthusiasm that I believe would have been necessary for it to succeed fully, wasn't there.

Some of the impact studies were produced and distributed and presented in a different way, and that got a lot of positive attention. But I don't know that it was ever really institutionalized or that the staff felt this was an appropriate role for them. I thought that it certainly had the potential to address some of the concerns and take even further some of the things that we were already doing in terms of making evaluation studies more relevant, more readable, more part of a learning experience. Janet kind of pushed us further in that direction than we might have gone in her absence, but over all, despite the fairly positive reviews we got from the individual pieces, I don't feel that that was a particularly successful effort or one that is likely to meet with success.

*Q: How do you measure success?*

SMITH: Well, success in the sense that it is sustainable both from the standpoint that the people who were performing the work were convinced that that was an approach worthy of making an effort, and sustainable in the sense that once the primary instigators of that, Janet in the first instance and me as the kind of the lieutenant and agent for pursuing it, were gone it would continue.

*Q: What was it about that approach that ran against the grain of the evaluation staff?*

SMITH: I think the staff probably looked at the effort as being unscientific, superficial, too quick and maybe as being too operational and not enough of a one-step back perspective. Typically they were done in two or three week visits to a country. The model, which was actually the model from the Doug Bennet days in the late seventies, was to try to involve other AID officers in actually carrying out the field work and writing up the evaluations so that the studies themselves would be both more operationally oriented because mainstream agency employees would participate in them, and also serve as a learning experience for those people by virtue of their participation in it. I think that approach was one that people who regarded themselves more as professional evaluators didn't buy into. It became very difficult to actually manage that process, to get people freed up and then also to get them to set aside time for

preparing the reports afterward. So, a lot of the burden for the logistical arrangements, as well as the report writing, fell on the professional staff, and yet they felt their work in some sense was being discredited or diminished because of the way these were carried out. And frankly, and I think one could look at this in a more positive way, but it is one of the reasons, I think, why there was some resistance from the folks there. The style of writing was more of a journalistic style, more of a conversational style, which was different, and people aren't often comfortable changing the way they have done things for a long period of time and there was a lot of pressure to do that. I think over time that it is possible that people could be convinced that there is some value to that, but it is an uncomfortable feeling to try to change and try to do something different. I think that translated, as changed processes often do, into resistance.

*Q: If you look at CDIE as a total effort, do you think it makes a difference?*

SMITH: I think it does, but I think its potential to do so is much greater than what it actually does. I think the development information side is maybe the best in terms of realizing that potential. It has been the most customer responsive function and has changed over the years to become more pro-active and engaged and I think is doing an excellent service for the agency. Again, there is further that it can go, but I think it is a very valuable service that is pretty unique in the world of donor agencies.

The performance monitoring side has also been very valuable and was essential, I think, in helping to make the kind of progress that the agency made in the early and mid nineties in strategic planning, performance measurement and sort of lifting one's sights above the project level to focus more on a few key goals and objectives. That wouldn't happen in the absence of CDIE. CDIE continues to play a major role in digesting the results of those various plans and implementation of programs and carrying out re-engineering, trying to make some broader analyses of them and short term purposes as well as to document the record. Again, I think there was an unfortunate period of a couple of years where there was more battle, competition and struggle over that during which we lost a lot of time and a lot of opportunity to make even further progress. But, I think CDIE is still making a major contribution there.

On the evaluation side, frankly, I am really not that sure. Anecdotally, in sort of an ad hoc way, I think some of the work that is being done is useful. The most useful work is the work where people were engaged throughout the process with the potential customers or users of the information, where the evaluators, and there were some, who took a more customer service view. They didn't sacrifice their own principles or independence or objectivity, but they did it in a way that was really grounded with a view to how people were going to use the information that was the result of their analyses. I'm afraid that is probably a minority of people. Probably my inability to make more progress in the evaluation area is what I would regard as one of the major failings or lack of successes in my career. I think the evaluation function lost an opportunity when there was a period of a few years where we had no restraints, we had money and people, and yet were not able to translate that into an effective evaluation function that served the agency in a way that the agency regarded as particularly useful. Certainly there are a number of people who made individual contributions and certainly there are a number of things that have come out

of that have been useful. But I think, by and large, the product is likely to be more publications that will adorn bookshelves rather than things that will become incorporated into the mainstream of peoples' activities. I see that as a major shortcoming. There are things that have been useful, but I think the gap between reality and the potential in the evaluation function is much greater than in the other two.

*Q: You retired from AID at that time?*

SMITH: Yes. I retired in May, 1996 from AID from the position of director of CDIE.

### **Concluding observations on a career in international development**

*Q: Let's step back and take a look at your career. What would you say without elaborating in great detail were some of the major lessons of your own experience of what worked or didn't work? How would you characterize what you got out of your career in terms of what would be useful to people wanting to know about development?*

SMITH: There are a couple of themes which I have touched upon throughout and to sum up I would just return to. In terms of a long term development program, I think that two things are extremely important. One is that, as a donor, we respond to areas where there is some home grown ownership and commitment. We should not come in with our solutions of how to solve problems, but first look for counterparts who already share that vision or first concentrate on a process of policy dialogue or studies or other kinds of getting-to-know you interactions where that basic commitment or ownership of activities can be formed.

*Q: Do you think if the commitment is not there that by a series of actions you can generate that commitment?*

SMITH: Many times you can and where you can't you probably shouldn't be involved trying to do the activities.

I think, whether it is in Ecuador or other places, there have been experiences with programs where there was not necessarily agreement with a particular world view or policy view at the outset, but through a collegial process of learning, understanding and discussion that was created. And that creates a far greater source of strength and likelihood for sustainability than just coming in with money and conditionality and those kinds of things.

The other general theme is consistent with that and that is we should really view our work as being in partnership with local people and organizations, not coming in as an independent actor, and we should look for ways that we can partner and create as equal a relationship as possible. It is not always possible because AID is representing the United States government and, of course, the distance between donors and recipients is often difficult to bridge. But, I think our more successful efforts are those that reflect a partnership rather than an uneven relationship

between counterpart and donor and that can be formed in a variety of different ways and I think this is extremely important to do.

In a broader sense, again this is something I mentioned earlier, I still firmly believe that there is a role for an organization that is part of the United States government that takes a long term development perspective. Working with people to help address problems and to solve poverty and inequity and other development challenges is something that will be in the long term interest of the United States. But, often it will run contrary to what others view as the short term interests of the United States or at other times it may seem irrelevant to those interests, but I think there is a role there to play that is and that it will be very beneficial in the long term. If you look at some of the experience in countries like Bolivia and Ecuador, where we had been engaged for 30 or 40 years by the time I was there, and look at the underlying support and friendship from organizations and people that we touched, I think that clearly created an environment in which people were much more responsive and receptive to US ideas and interests.

*Q: Do you think that the foreign assistance program over the years you were associated with it made a difference? Did it have an impact? Is the world a better place because of it or was it irrelevant?*

SMITH: I definitely think that it had an impact and made the world a better place. It was not irrelevant. There are places where I was, Haiti was one, where the effects of what we were doing in the late seventies and early eighties when I was there in many important respects have kind of disappeared, have been washed out in the flood of events which have occurred in Haiti over the intervening time. Some survived and some have continued to provide models for activities that are presently going on. In terms of seriously helping to come to grips with the problems of poverty and everything that is related to that in Haiti, I don't know that we can really point to a particular contribution there. But, in other places I think it is true and in general I think the AID program is having a very substantial effect in several areas of the world.

*Q: In what sector do you think it has had its most significant contribution?*

SMITH: In just about every area. I think probably the programs that have been less successful have been the education activities which often are quite complicated by local politics, but if you look at things like population and child survival, clearly there has been an enormous contribution to the vast progress that has been made in those areas throughout the world by AID programs. If you look at agriculture there has been maybe a little spottier record, but I think overall a very positive record. If you look more recently at some of the micro enterprise programs, not all of the outstanding programs have been ones that have been assisted by AID, but AID has been a player in those for 15 to 20 years and has been part of the learning process there and part of the whole effort and I think has made some major progress both in alleviating poverty through small and micro enterprise programs, and learning more about them and involving a variety of other organizations in that experience. I think in Central and Eastern Europe and the former Soviet Union the US has played a major role through its assistance program. The success of those experiments is going to hinge on a lot more than our assistance, but I think that, particularly in

Eastern Europe, our role has been very important in several key respects to help ease that transition.

*Q: What about the environment?*

SMITH: The environment, I think also in some areas. There have been some activities in biological diversity where AID has been a player. I think that is an area which the experience perhaps is a little too recent to really say. First, because the major programs that have a conscious environmental objective are relatively new, the oldest programs being less than a decade old. That in and of itself is not too recent, but I think the kinds of impacts that are sought from those programs when you are talking about biodiversity or other large scale environmental impacts are the kinds of impacts that take a long time to determine. Much of the success of the programs will probably be measured in terms of bad things that were averted instead of good things done and that is always more difficult to tell, sort of counterfactually.

*Q: How would you characterize AID's role in these initiatives in the program areas?*

SMITH: I think AID has been a leader in the health and population area. I think AID has been a leader within the small and micro enterprise area. I think AID, not really so much in most of my career as earlier, was a leader in the agriculture field. That sort of went out of favor in the eighties and the nineties, although a little bit of it is coming back now. I think there were some substantial institutional and technological impacts in agriculture in the sixties and seventies. I think in the whole area of private sector, larger business, it is hard to tell really what impact there has been. I think the resources that we have had to devote to that area, while substantial in some cases, were pretty much dwarfed by the resources of the private sector itself. In a number of areas we have probably played an important role or contributing role to helping make the policy and regulatory environment for business a little more positive and that has had some positive impacts. I guess I would say that throughout the eighties and early nineties, particularly in Latin America, but probably in Africa and in other parts of the world as well, the focus that AID had on policy reform was well placed and had some significant, positive benefits, again the kind of benefits that would be more evident over the long term than in the short term. But, I think that was a real key area that the agency focused on.

*Q: You made several comments about your problem with the relationship between US foreign policy, security interests and development interests. Would you say in general that the political security interests of the US were helpful or hindered the development process that AID was trying to pursue?*

SMITH: I guess my conclusion on that is that that was a negative influence overall. Certainly there were some places where they came together and could have been reinforcing, but in general they were a hindrance in two ways. One is that, in the competition for resources in a situation where the pie was getting smaller, it was the political interests that won out, which meant that the more traditional development programs in places where there wasn't an overriding political interest shrank disproportionately. So, there is a much more concentration, I would say, now in

the resources, management attention and staffing, etc., in places that have a high political profile than in places that don't, and those don't necessarily correspond to where the development challenges are, where the poverty is or where our longer term interests necessarily lie. The other way I think it hindered is in places like Central America in the eighties where a lot of resources were available because of the foreign policy interest and AID made good use of them in a number of places. But when the chips were down and when there was a crunch or debate over the right thing to do from the long term development standpoint or from the short term foreign policy standpoint, the short term view usually won out and that made the task a lot more difficult.

*Q: Let's turn the question the other way around. Has development assistance, the foreign assistance program, been effective in supporting political security interests?*

SMITH: Again, it is not a black or white kind of situation, but I guess my response to that would be, in general, no. Certainly in places like Central and Eastern Europe I think the answer to that is much more likely to be yes. I think that an argument can be made that in Latin America, Central America, our approach there set back by years the eventual peace processes and prolonged polarization and suffering in the region. I think there is no evidence that our now close to 20 years of focus on drug related problems in South America has achieved anything of a success. While a case can be made that the resources that were initiated through the Camp David Accords in the Middle East have certainly been a factor in keeping the peace process in that part of the world more or less on track, my impression is that the AID program in Egypt is not one that has in a major way forced Egypt to make progress on a number of fundamental development issues. Despite the tremendous amount of money that has been there, there are still some issues of radical fundamentalism in Egypt and those kinds of things which are not being adequately addressed by the government or through the AID program or otherwise. Look at Pakistan, Iran, Vietnam and the whole of Indochina. These have been areas where by and large there has been political pressure and resources thrown at problems and consequently the least likely to succeed. It has been in places where resources were less available, where people had to be more creative, had to build ownership, had to get more impact out of a smaller number of resources that I think have tended to be the more successful kinds of programs.

*Q: One last area. How did you find AID as an agency to work for?*

SMITH: Increasingly bad. In the early years I was extremely pleased. Having grown up in AID in a way, I guess I did not have an entirely positive view of the agency from when I was high school age and in college, but I was pleasantly surprised. It certainly had a lot of very positive attributes and treated me very well, particularly in the early years, but actually really throughout my career.

One of the things that is really an attraction is that it is the kind of organization which allows you to move and to change jobs and to be refreshed and to take a variety of career paths over the course of time, but still be within the same organization and have some of the same rules, and contacts and those kinds of things. Frankly, AID was very flexible--I think probably too

flexible, really--in allowing people to do what they want to do. It is a very undisciplined organization in that sense for the individual. Certainly I benefited from this a number of times by being allowed to do what I wanted to do somewhat irrespective of what may have been in the best interest of the agency. I never had any real sense, except maybe in the early years, that anyone was looking at me in the assignment process and saying, "Well, here is what we know about him. Or he is good at this because of the kind of experience he has had, so here is the kind of assignment that will take advantage of that experience." It was pretty much all where I wanted to go, and what I wanted to do and the whole personnel system seemed to have no sense at all where it was best to match resources with the job. Now, that can be positive or negative.

I think in the latter years it really became a much more frustrating place to work and particularly the last six years in Washington. Washington has always been a more difficult place to work than in the field, and my views may be colored by that a little bit. It was much more internally focused with more bickering and no consensus about what the agency was. To some extent, that is a reflection of the broader environment in which AID operated. Brian Atwood provided excellent leadership, but between Peter McPherson and Brian Atwood there was a series of interregnums and administrators that were just devastating to the agency in terms of lack of direction. And then when Brian came in with the new Democratic administration, unbelievable damage was done by the attitude that people took, and that just made it very difficult for career people to work and contribute. Many of us were extremely positively disposed to the kind of initiatives that the new administration was trying to take and yet were marginalized and treated very poorly. That I think was unfortunate.

*Q: Do you have any general last remarks you would like to make?*

SMITH: No, I don't know that there is anything more than what I have said. I certainly had a good career, a good opportunity to work in a number of places and feel like we made a contribution to things. I think that sums it up.

Not to end on a down beat but the question I would end with is whether it is feasible or politically possible for the US government to really have an effective development agency as part of its government/foreign policy structure. I think the weight of view is running against that. I think all of the different proposals that have been made about combining AID with State only go in the opposite direction, making it more of a short term instrument of today's foreign policy considerations. Today, from some consulting work I have done, I sense that it is the initiatives of the Global bureau that seem to be more focused on development, whereas the regional, geographic bureaus and their programs, PPC and all of that are much more involved in the politics, politics of budgeting and resource allocations. I think that is going in a direction which is very antithetical to having an effective development program.

*Q: Well, that is a good question and comment to end on. This has been an excellent interview and I appreciate your time.*

SMITH: Thank you very much.