Advisory Committee on Voluntary Foreign Aid

February 22, 2006 Meeting Report

USAID/A/AID
Room 6.10 RRB
1300 Pennsylvania Avenue, NW
Washington, DC 20523-7600
Tel. 202-712-4002 Fax 202-216-3237

March 27, 2006

Dear Friends of Foreign Assistance,

The Advisory Committee on Voluntary Foreign Aid's (ACVFA) report for the first public meeting of 2006 reflects a time of transition and reform for USAID. Originally conceived as the War Relief Board, the ACVFA has moved with the times and looks forward to its continued role as a sounding board and as a source of expertise for the US Government. The Committee possesses a depth of knowledge and experience as well as the ability to give voice to the views of the diverse community it represents. Consequently, the ACVFA is prepared to provide helpful and constructive guidance on the implementation of the transformational diplomacy initiative.

In light of this time of reform, the ACVFA was pleased to receive a briefing from Faryar Shirzad, the President's Deputy National Security Advisor on the Administration's goals for foreign assistance, within the context of national security. In addition, the Committee was briefed on the President's proposed budget for the 2007 fiscal year. A particular emphasis was given to integrating the budget with goals and priorities at the mission and regional level as well as a focus on long-term planning.

Committed to following the implementation of the Secretary of State's transformational diplomacy reforms, the ACVFA also continues to respond in a timely and relevant manner to the issues of greatest concern to USAID and the development community. The panel discussions reflected agenda recommendations put forth by Committee task forces convened at the October 2005 business meeting.

The Avian Influenza Task Force received a timely update from USAID's Dennis Carroll on the potential for an avian influenza pandemic. The ensuing panel discussion on how US-based NGOs and their partners on the ground may monitor for an outbreak and coordinate preparedness efforts and containment if required was extremely enlightening and beneficial. From the questions and comments posed by the Committee and general public, there is a great deal of interest in learning from the model used by those to eradicate polio as well as the most effective ways to work with indigenous groups on the ground.
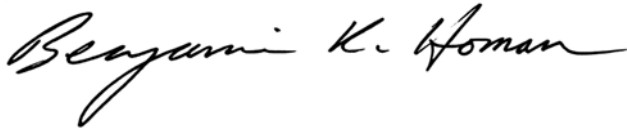
At the invitation of the Fragile States Task Force, the Committee was briefed by Wade Warren and Harry Lightfoot on USAID's Africa Strategic Framework. How

this will interface with USAID's fragile states strategy is of great interest to the ACVFA and the development community. Ted Weihe, ACVFA member and convener of the task force, moderated the discussion and raised important points concerning the future of relationships between USAID's missions and their partners.

The Military Affairs Task Force, convened and moderated by ACVFA member Spencer King, hosted a lively and interesting conversation around NGO collaboration with the military in post-conflict situations. Panelists from USAID and the Departments of State and Defense discussed ongoing coordination efforts as well as lessons learned from Afghanistan.

With a new focus on transformational diplomacy, the Committee is well positioned to provide input and feedback regarding the role of private voluntary organizations and the larger private sector. In the midst of change, the ACVFA remains committed to a vigorous and dynamic U.S. foreign assistance program that reflects the values of the American people. We look forward to our next meeting on June 7 to learn more about this important initiative and other issues of interest to the development community.

Sincerely,

Benjamin K. Homan
Chairman
Advisory Committee on Voluntary Foreign Aid

Meeting Agenda

Advisory Committee on Voluntary Foreign Aid

Public Meeting Agenda
Wednesday, February 22, 2006

The Hotel Washington
Washington Ballroom
515 15th Street, NW
Washington, DC 20004

9:00 am   **Welcome and Overview of Public Meeting Format**
Washington Ballroom

Ben Homan, ACVFA Chairman, and President and CEO, Food for the Hungry

9:05 am   **Overview of the President's Foreign Assistance Budget for FY 07**

Introduction: Ben Homan, ACVFA Chairman, and President and CEO, Food for the Hungry

Presentation: James Painter, Deputy Assistant Administrator, Bureau for Policy and Program Coordination, USAID

9:15 am   **Pandemic Outbreaks**: **USAID and Local Partners on the Ground**

Introduction: Nancy Aossey, Member of ACVFA's Avian Influenza Task Force, and President and CEO, International Medical Corps

Panelists:

Dennis Carroll, Senior Infectious Diseases Advisor, Infectious Diseases Division, Bureau for Global Health, USAID

Mohammad Akhter, Member of ACVFA's Avian Influenza Task Force, and President and CEO, InterAction

Irene Koek, Chief, Infectious Diseases Division, Bureau for Global Health, USAID

9:55 am   **Committee Discussion and Questions**

10:10 am   **Questions and Answers from the General Public**

10:30 am   **Break**

10:45 am   **Keynote**
Washington Ballroom

    Convener: Ben Homan, ACVFA Chairman, and President and CEO, Food for the Hungry

    Introduction: Douglas Menarchik, Assistant Administrator, Bureau for Policy and Program Coordination, USAID

    Presentation: Faryar Shirzad, Deputy Assistant to the President for International Economic Affairs and Deputy National Security Advisor

11:10 am   **Committee Discussion and Questions**

    Dr. Menarchik will join Mr. Shirzad for the discussion and questions.

11:30 am   **Questions and Answers from the General Public**

12:00 pm   **Lunch:** *(participants on their own)*

1:20 pm   **Recognition of Andrew S. Natsios, former Administrator, USAID**
Washington Ballroom

    Presentation: Ben Homan, ACVFA Chairman and President and CEO, Food for the Hungry, and William S. Reese, ACVFA Member and President and CEO, International Youth Foundation

    Recipient: Andrew S. Natsios, Distinguished Professor in the Practice of Diplomacy and Advisor on International Development, Edmund A. Walsh School of Foreign Service, Georgetown University

1:30 pm   **Africa Strategic Framework**

    Introduction: Ted Weihe, Member of ACVFA Fragile States Task Force, and Development Advisor, Land O'Lakes

    Presentation:

    Wade Warren, Director, Office of Development Planning, Bureau for Africa, USAID

1:50 pm   **Committee Discussion and Questions**

    Harry Lightfoot, Director, Office of Sustainable Development, Bureau for Africa, USAID, will join Mr. Warren for the discussion.

2:00 pm   **Brief Remarks from Frederick W. Schieck, Acting Administrator, USAID**

    Introduction: Ben Homan, ACVFA Chairman, and President and CEO, Food for the Hungry

Remarks: Frederick W. Schieck, Acting Administrator, USAID

2:15 pm   **Resumption of Africa Strategic Framework**

Questions and Answers from the General Public

2:45 pm   **NGOs on the Ground: Effective Integration across the US Government**

Introduction: Spencer King, Member of ACVFA's Military Affairs Task Force, and President and CEO, International Executive Service Corps

Panelists:

Chris Hoh, Director for Response Strategy and Resource Management, Office of the Coordinator for Reconstruction and Stabilization, U.S. Department of State

Mike McNerney, Director for International Capabilities, Stability Operations, U.S. Department of Defense

John Champagne, Senior Military Advisor, Office of Military Affairs, Bureau for Democracy, Conflict and Humanitarian Assistance, USAID

3:15 pm   **Committee Discussion and Questions**

3:30 pm   **Questions and Answers from the General Public**

3:55 pm   **Adjournment of Public Meeting**

ACVFA Membership

Committee Chair

Benjamin Homan
President and CEO
Food for the Hungry

Committee Members

Mohammad Akhter, M.D., M.Ph.
President and CEO
InterAction

Nancy Aossey
President and CEO
The International Medical Corps

Nancy Zucker Boswell
Managing Director
Transparency International USA

Lorne Craner
President
International Republican Institute

Larry Diamond, Ph.D.
Senior Fellow
The Hoover Institution
Stanford University

Nicholas Eberstadt, Ph.D.
Resident Scholar
Henry Wendt Chair in Political Economy
American Enterprise Institute

Timothy Flanigan, M.D.
Chief, Division of Infectious Diseases
Department of Medicine
Brown University

Spencer King
President and CEO
International Executive Service Corps

Stephen Moseley
President and CEO
Academy for Educational Development

Iqbal Noor Ali
Chief Executive Officer
Aga Khan Foundation USA

William Reese
President and CEO
International Youth Foundation

Peter Reiling
Executive Vice President
International and Policy Programs
The Aspen Institute

Elise Fiber Smith
Senior Policy Advisor on Gender
Winrock International

Richard Stearns
President
World Vision

John Sullivan, Ph.D.
Executive Director
Center for International Private Enterprise

Ted Weihe
Proposal Development Advisor
Land O'Lakes, Inc.

Kenneth D. Wollack
President
National Democratic Institute for
International Affairs

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ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

Public Meeting
February 22, 2006

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OPENING REMARKS

Benjamin Homan, ACVFA Chairman, welcomed the public, and commended the committee on its ongoing good work. He noted that the meeting would follow a different format than in the past, in the hope of promoting greater interaction between presenters, committee members, and the public. He invited meeting attendees to volunteer to participate in the committee's task forces.

Winston Churchill was famous for marking memoranda he deemed important with the words "Action this day." All of those in the audience have already demonstrated action this day by their attendance. The United States is at a crossroads in its discussion about transformational development and diplomacy. Those who participate in this discussion, through ACVFA and otherwise, have the sense that, to paraphrase Churchill again, we may not be at the end of the discussion, nor even the beginning of the end, but we may be at the end of the beginning.

OVERVIEW OF THE PRESIDENT'S FOREIGN ASSISTANCE BUDGET FOR FY2007

James Painter, *Deputy Assistant Administrator, Bureau for Policy and Program Coordination, USAID*

The International Affairs (or "Function 150") portion of the budget includes bilateral foreign assistance, multilateral assistance (through the World Bank, International Monetary Fund [IMF], and international organizations), operations of the Department of State, and appropriations under the U.S. Department of Agriculture (USDA) for the Food for Peace program. In a total budget request of $871 billion, the President has included $35.1 billion for International Affairs, an increase of 11.2 percent over FY2006. That includes:
- $6.2 billion for coalition partners in the Global War on Terror
- $3.4 billion for the President's Emergency Program for AIDS Relief (PEPFAR)
- $3 billion for the Millennium Challenge Corporation account (MCA)
- $2.7 billion for USAID's Development Assistance and Child Survival (DA/CS) programs
- $2.5 billion for disaster relief, food aid, and refugee and conflict assistance

The assistance portions of International Affairs receive a 13 percent increase in the budget request, with the biggest increases going to PEPFAR and MCA.

USAID is slated to receive about 25 percent of the International Affairs budget, or $9.3 billion. In addition to the $2.7 billion for DA/CS, that includes:

- $349 million for International Disaster and Famine Assistance (IDFA), of which $163 million is for Sudan. This is roughly comparable to what the President requested for FY2006, although supplemental appropriations under IDFA (including $56 million to launch the avian influenza program) pushed actual spending quite a bit higher.
- $50 million for Transition Initiatives (TI), programs for countries emerging from crisis. This is up from the current year's funding and equals the President's initial request for FY2006.
- $4.1 billion for accounts comanaged with the Department of State, including the Economic Support Fund (ESF—aid to strategic states), Andean Counterdrug Initiative (ACI—alternative development aid for South America), Support for Eastern European Democracy (SEED), and the Freedom Support Act (FSA) account.
- $1.2 billion for PL 480 Title II program, which provides for emergency and development food aid.

There have been some changes in priorities within the total DA/CS request. The Child Survival account is up a bit at the expense of the Development Assistance account because USAID has increased attention to two significant emerging health threats:

- Malaria—a total of $166 million, including $135 million for the President's Malaria Initiative, which will target three countries this year and seven next year
- Avian influenza

The FY2007 request also puts increased emphasis on Africa. DACS accounts alone for Africa are at over $1 billion, an increase over the President's FY2006 request and the FY2006 enacted budget.

The FY2007 request once more seeks authority to use funds for the local purchase of food and commodities in unforeseen crises. This was also part of last year's request; the only difference is that this year the funds would remain in the PL 480 account. Congress did not agree to grant such authority last year. USAID believes it could use this flexibility to feed an additional million people and save an additional 50,000 lives.

Apart from the International Affairs portion of the budget, USAID does have partial authority over some other accounts. It will probably manage $1 billion of the Global AIDS Initiative, along with Iraq reconstruction money and some funds for threshold countries trying to establish eligibility for MCA.

Through the recently announced State Department position of Director of Foreign Assistance, USAID and the Department of State will be integrating their planning and budgeting processes. It is premature, however, to anticipate how that process will work.

USAID now allocates the transformational portion of its budget using four criteria:
- Country need as determined under MCA criteria
- Country commitment
- Population size (though this criterion does not carry much weight)
- Program performance

The Agency is reviewing the potential to allocate the strategic portion of its budget similarly. This is an effort to do away with "budgeting by inertia."

QUESTIONS AND ANSWERS

Stephen Moseley, ACVFA Member, asked how the current budget request does or does not reflect the recently announced new emphasis on creating five-year strategic and one-year operational plans.

Mr. Painter replied that the Agency has been doing a version of long-range planning for a long time. The notion of five-year plans is not so much a change for USAID as a change in the way it integrates its planning with the Department of State. USAID and the State Department do have an existing three-year joint strategic plan now due for renewal (which they are waiting to complete until the restructuring now underway is complete), but that is a very high-level strategic document. In the near future the State Department and USAID will be aiming to integrate their plans on the levels of regions and countries.

PANDEMIC OUTBREAKS: USAID AND LOCAL PARTNERS

Panelists included members of the ACVFA Avian Influenza task force, formed after the public meeting of October 19, 2005.

Dennis Carroll, *Senior Infectious Diseases Advisor, Bureau for Global Health, USAID*

In October, then-Administrator Andrew Natsios recognized the emerging challenges of avian influenza (AI) and the need for an interdepartmental approach, drawing on resources from many USAID programs. He created a special avian influenza–focused unit to bring together a wide range of capabilities and use the resources available effectively.

Historically, AI has been a virus mainly affecting birds, and to this day 99 percent of infections occur in poultry. But the current H5N1 strain of AI *can* infect people: it has infected over 190 so far, and of those more than half have died. It is a dynamic virus, and genetically very similar to the 1918 pandemic influenza virus that killed 50–100 million people over fourteen months. In addition, the mutations it has shown over the last six months are very similar to the mutations that gave the flu virus of 1918 its pandemic profile. This combination of its epidemiology,

its genetic profile, and the rapidity with which it is spreading has prompted great alarm that the flu pandemic of 1918 could recur. Influenza pandemics of one kind or another tend to occur every thirty to forty years. The last was in 1968, thirty-eight years ago.

AI spreads from animals to humans in places where many people live in close proximity to poultry. In recent years, countries have turned to poultry as a way to keep up with their populations' protein and local economic needs. In 1968, for instance, China had 800 million people and 50 million poultry. In 2002, it had 1.2 billion people and 15 billion poultry. Most of these animals are not reared in "biosecure," commercial environments but on small, unregulated farms.

The last sixteen to eighteen months—and the last six months in particular—have seen the explosive spread of AI. In 2004 and 2005 it spread from China across Southeast Asia, up into Japan and Korea. Between July and December of 2005, it moved up into Mongolia, across Eurasia, as far as the eastern part of Europe. In the last six weeks there have been outbreaks in India, France, Germany, Turkey, Italy, Greece, Croatia, and Nigeria.

So far the genetic characteristics, pathology, and epidemiology of the virus have remained unchanged. The situation is very dicey, however, because this class of virus can mutate and adapt very quickly.

In other words, this is a novel virus—one against which we have no immunity— that does have the capability to replicate in humans and cause serious damage. So far, however, it has not developed the ability to pass efficiently from person to person.

The threat of AI requires a comprehensive approach dealing with both human and animal health. USAID is responding across traditional sectors of aid, involving at the very least nations' ministries of agriculture and health. The threat of AI also requires an emergency response—the Agency does not have time to build new systems to deliver services, it must respond using those already in the field, guided by existing world organizations and the UN. It will be exceedingly difficult to prevent a global pandemic once the virus is able to pass from person to person. The opportunity to contain it is now, while it is still mainly an animal infection.

The first challenge is that these infections arise from small, unregulated farms. Second, it is difficult to differentiate die-offs among poultry due to H5N1 from those caused by other avian viruses that can cause up to 50 percent mortality. Third, if the response is to cull infected animals and those animals represent vital sources of protein and income, poor farmers will not want to report infections. Farmers must be compensated for the loss of their birds if any kind of surveillance is to work. Fourth, public awareness of the problem in many areas remains poor. Fifth, countries' preparedness plans are often inadequate. Finally,

the virus appears to be spreading not only along bird migratory pathways but through an underground market in poultry. The outbreak in Nigeria is probably associated with the unregulated trade of birds.

The goals of AI control, then, are:
1. Limit animal infections.
2. Limit human infections. This virus can create as many mutations as it wants, but it cannot leap to humans if it does not have the opportunity.
3. Prepare for the worst—be ready to respond quickly to large-scale outbreaks in animals or humans.

Time is of the essence. From the moment an outbreak begins, public health officials have from twenty-four to twenty-six days to contain it before it spreads out of control. That means that within three to four weeks of an initial infection officials must identify the virus, confirm it in the laboratory, signal that an outbreak is underway, and get the necessary containment response into the field. That means, among other things, that containment capabilities must be in place before an outbreak begins.

USAID and colleagues from the Centers for Disease Control (CDC) and the Departments of Agriculture, Health and Human Services, and State are working to support countries in a number of areas simultaneously:
- Strengthening surveillance and laboratory diagnostic capabilities, establishing early-warning networks, and creating incentives to encourage public cooperation
- Bringing the public and private sectors together in rapid-response teams capable of dealing with animal and human outbreaks through containment measures that may include animal vaccination, culling, and disposal
- Providing support for pandemic planning
- Conducting research into human vaccines, clinical interventions and diagnostics, and disease transmission routes
- Stockpiling equipment (including protective equipment and soap) and medicines
- Communicating with high-risk populations to promote low-risk behavior, with policymakers to help countries craft response plans, and with the media to minimize inaccuracies

The H5N1 strain of AI is just the latest in a series of pathogens that have emerged from the vicious dynamic of human and animal populations living together in high densities. SARS was another. The kind of problem it represents will continue as long as we allow that dynamic to continue unchecked. In the long term, USAID and its partners need to help countries transform their animal husbandry practices.

Nancy Aossey, *President and CEO, International Medical Corps, ACVFA Member*

Nongovernmental organizations (NGOs) have an unparalleled ability to help prepare for and respond to an outbreak of AI. They are already in most of the areas where pandemics are likely to start, and they have access to communities and the trust of their residents. They can help locate cases, treat people, and inform authorities about the number of cases and their severity.

NGOs can make significant contributions to the planning and implementation of methods to prevent the spread of disease. They can:
- Identify risky behaviors
- Teach communities about appropriate hygiene and handling of poultry
- Help ministry of health officials at the district and regional levels develop plans for prevention and containment
- Activate the network of the Expanded Programme on Immunization (EPI), and prepare its teams to assist with mass immunization campaigns if a vaccine is identified, manufactured, and distributed
- Treat patients and assist in isolating those exposed to the virus by training local physicians, medical officers, and community health workers in diagnosis and treatment protocols
- Educate communities about isolation practices
- Provide increased local management training, with attention to remote-control models of management, to ensure that local health services are not interrupted if international aid workers are evacuated
- Distribute stockpiled supplies
- Respond in twenty-four to seventy-two hours as part of emergency-response teams

Much government funding has gone toward vaccine development. Little is known about the local social, cultural, and economic dynamics that will affect containment and control. For example, a family will not come forward to inform authorities of an outbreak if it knows it will lose its livelihood in the process. We need to support World Health Organization (WHO) recommendations for evidence-based research, allowing NGOs to survey social norms and examine health systems, which in turn will expand their ability to assist.

Since International Medical Corps turned its attention to AI last spring, it has taken the following steps:
- Developed coordination links with the WHO, the World Food Programme (WFP), the Food and Agriculture Organization (FAO), the United Nations Development Programme (UNDP), the CDC, the U.S. Pacific Command (PACOM), USAID, private-sector risk managers, and local health authorities and community-based organizations
- Participated in the Avian Flu Technical Forum held by the WHO in Geneva
- Assisted WFP regional emergency-management teams

- Developed a form for population-based surveys of risky behaviors, knowledge gaps, and needs
- Launched a public Web site to disseminate the latest information on AI, and is developing a Web-based portal for collaborative information sharing

In very little time International Medical Corps can mobilize clinicians, public health practitioners, logisticians, security specialists, and epidemiologists.

Mohammed Akhter, *President and CEO, InterAction, ACVFA Member*

AI has spread to three continents, and each time it spreads to a new country the virus comes in contact with more people. It is also most prevalent in those areas of the world with the weakest public health infrastructures. Most believe we are now as close to a pandemic as we have ever been in the past forty years. Even if we do head off a pandemic, AI will be around for a long time, and we need to prepare to contain it in the long term.

Over 100 countries gathered in Beijing to address AI as a humanitarian crisis and determine what could be done to deal with it. The declaration that emerged from that conference states that each country will design its response plan in collaboration with civil society and the private sector, because no government can respond to AI alone. So far, those in the international public health community have done a good job enlisting the help of governments, but not as good a job in working with NGOs and the private sector.

InterAction has taken four basic steps:
1. Begun holding biweekly meetings to share information from the field and develop coordinated response mechanisms.
2. Started to measure NGO capabilities in the field. So far, it has learned that poor countries, where the disease is most prevalent, are precisely those where NGOs have the greatest capabilities.
3. Provided guidance to members in preparing plans to:
   - Protect their employees
   - Protect the employees of partner NGOs.
   - Form a seamless system with other NGOs and local partners to help local governments
4. Advocated on behalf of its members for:
   - Compensation to farmers
   - A spray rather than injected form of vaccine for birds
   - A vaccine for humans
   - A strong, coordinated response supported by adequate resources

These types of problems will recur, even if AI is contained. We need the U.S. government to invest in systems to prepare for pandemics now.

Irene Koek, *Chief, Infectious Disease Division, Bureau for Global Health, USAID*

Right now we are living through an epidemic that claims the lives of 2 million people each year: tuberculosis (TB). Acute respiratory infections claim the lives of some 3.5 million people each year, mostly children; diarrhea, 2 million, again mostly children; HIV/AIDS, 3 million; and malaria, 1.2 million children.

Many of the solutions to these problems are about working with local partners and getting commitments at the international, national, and local levels to make sure the right professionals are in place with necessary resources. It is also important to insist that responses have clear objectives and can clearly document results.

Most of the 2 million child deaths from diarrhea are preventable, for example. Oral rehydration therapy (ORT) has been proven to reduce mortality rates, and safe water and hand washing can cut the incidence of diarrhea by as much as 50 percent. Hand washing is also an important practice for preventing the spread of AI, among other diseases. These methods are simple and easy to employ; we simply need to use them on a larger scale.

Local communities and governments, NGOs, donors, and the private sector also need to work together to sustain interventions once they are put in place. At one time ORT use was fairly prevalent, but a lack of emphasis has led to its decline in a number of countries.

TB is the classic example of what happens when a problem does not receive sustained attention. The developed world thought TB had been taken care of, but New York City in the 1980s showed that assumption to be false—and that in fact TB hasn't been taken care of in the developing world at all. With HIV/AIDS and the failure of health systems in many countries of the former Soviet Union and Africa, the number of new infections has been rising. We have a set of interventions that we know work; nevertheless, we see 9 million new infections a year and 2 million deaths.

At the end of January the Global Partnership to Stop TB issued a ten-year strategy outlining what actions need to be taken at the global and local levels, in the public and private sectors. It discusses not only what needs to be done in the field today, but describes research needs, and sets out clear objectives toward the development of new drugs and methods: we have not had a new TB drug in 40 years, or a new diagnostic method in a century. We do not have a vaccine. The treatment approach builds on the very effective, directly observed, short-course treatment strategy, but it has evolved to be more patient- and community-centered, calling for the empowerment of patients, the engagement of community health providers in all sectors, and partnership with those working on HIV/AIDS. If the actions in the plan are followed, we can save 14 million lives by 2015, treat 50 million patients (including 1 million for multidrug-resistant TB), develop a new

drug to cut in half the current six-month standard course of treatment, create a vaccine, and devise a new diagnostic test that can be performed efficiently at the point of care.

TB is a high priority for USAID. The Agency is the largest bilateral donor in the field, and was intimately involved in the development of the Stop TB Partnership's global plan. USAID will invest close to $90 million in the fight against TB in FY2006. Child health has been the heart of the Agency's health program for the last fifteen years, and that focus will remain unchanged.

QUESTIONS AND ANSWERS

John Sullivan, ACVFA Member, asked what work USAID is doing to understand the structure of unregulated markets in poultry, so that it can take an approach that includes incentives rather than simply law enforcement.

Dr. Carroll confirmed that USAID is doing the research to allow it to take such an approach. The Agency's understanding of the marketplace has evolved dramatically. Originally, it was investigating the role of local markets, but with the explosion of the virus across national borders it now has to try and understand the international black market. An article in the *Washington Post* highlighted a bilateral trade agreement between China and Nigeria for the trade of poultry that was canceled following the emergence of AI; some suspect that the trade continued despite the cancellation of the agreement. USAID needs to work with WHO and the World Trade Organization (WTO) to fill the gaps in its knowledge of these markets.

Dr. Akhter added that the experience of mad cow disease has taught public health professionals that they need to understand the conditions of animal rearing to prevent the spread of disease.

Theodore Weihe, ACVFA Member, noted that though normally influenza kills the weak and vulnerable, the 1918 influenza virus killed mainly healthy people when their immune systems overreacted. He asked whether that was again the case with AI.

Dr. Carroll confirmed that one of the differences between AI and the normal influenza virus A is that the latter targets mainly underdeveloped or degraded immune systems, while H5N1—like the 1918 strain H1N1—harms mainly young people with robust immune systems. As a result, the pathology of the disease is much different: the virus appears to hyperactivate the cytokines (a signaling element of the immune system), and in the resultant "cytokine storm" the immune system attacks the body, leading to hemorrhaging and organ failure. This makes it very difficult for pathologists in various parts of the world to identify human cases of the disease correctly, and a clinical case definition becomes increasingly difficult as the virus spreads.

Elise Fiber Smith, ACVFA Member, asked whether USAID had analyzed gender roles on small farms to determine whether men and women faced different risks.

Dr. Carroll cautioned that the number of human infections was so small as to make it difficult to outline trends. But in Turkey and central Asia the infections were mainly in young girls. The outbreak occurred in the middle of winter, when people brought birds into their homes to keep them warm, and young girls were the ones responsible for caring for poultry. That did not occur in Southeast Asia, which underscores the need to be sensitive to local victim profiles.

Stephen Moseley, ACVFA Member, noted that it will be vital to engage the educational community, especially now that the virus has moved to Africa, where communication capabilities are very poor. The Academy for Educational Development has downloaded to Web sites around the world a guide to help instructors teach children good practices in poultry handling.

Dr. Carroll agreed, saying that in Turkey, the outbreak occurred as schools were sending home report cards. Local leaders recognized the opportunity, and with every report card throughout Turkey sent messages about personal behavior to protect oneself from infection and prevent its spread. Parents had to sign that message along with their children's report cards. Using that channel helped stop the outbreak.

Ms. Aossey asked how USAID could use existing resources and surveillance systems in its response to AI.

Ms. Koek answered that among other avenues, the Agency could use the surveillance infrastructure already in place to guard against polio in such places as Nigeria.

Dr. Carroll added that in fact USAID has begun trying to work with the groups that make up the polio infrastructure. Such cooperative efforts are essential, as the public sector simply does not have the penetration that NGOs dealing with polio, among others, have into local communities. Without the cooperation of NGOs, governments will not be able to get the necessary information to and from communities.

Tony Gambino, an independent consultant, asked how worried the panelists were that the spread of AI to sub-Saharan Africa could turn catastrophic.

Dr. Carroll replied that the lack of appropriate systems in places like Nigeria makes it much more difficult to bring together local and national authorities in a rapid, well-coordinated, timely response. The apparently unregulated market in poultry only complicates the issue. On the other hand, Africa does not have poultry densities as high as the other parts of the world where AI has appeared.

In Southeast Asia and Eurasia, each farmer will have perhaps ten birds; in Africa only one or two. That may sequester the virus, slow its spread. But mounting an effective response in Nigeria will mean using every tool available, in all sectors. USAID is taking stock of the country's systems now, trying to figure out how to use them.

Carla Stone, Director of International Programs and Partnerships at Delaware Technical and Community College, said that Delaware, where poultry is a major part of the economy, has had an outbreak of AI, and that it took a coordinated effort to contain it. Those in Delaware are concerned that U.S. strategies appear to focus on stockpiling medication, developing a vaccine, and educating and supporting smallholders, while the largest economic effects will be on large poultry operations. A lot of money will be required to train technicians to conduct mass sampling, but that has not been reflected in the U.S. budget.

Dr. Carroll noted that new funds have been budgeted for AI three times in the last nine months. First, in May 2005, an emergency supplemental appropriation provided $25 million. Second, USAID redirected some of its own funds. Then a second emergency supplemental appropriation provided $251 million to international aid across all agencies. In all, $153 million has been made available to USAID to combat AI; $53 million will be used to stockpile medicines and prepare for rapid emergency response. The remainder is being used to try to contain the virus at the animal level. USAID is very concerned about the deficit of skilled veterinarians, for example. The Agency is trying to work with the USDA to expand the pool of people able to provide support in a rapid response and especially thereafter, so that after chickens are culled, the ones bought to replace them aren't equally at risk. USAID aims to transform practices. There are two key components: communications and motivation on the one hand, and veterinary skills on the other.

Eelko Dykstra, Professor of International Emergency Management at George Washington University, suggested that USAID consider an all-hazard approach, for which emergency management in the Anglo-American system might serve as a good model.

Dr. Carroll replied that USAID has had discussions with other agencies about using the emergency-management system to maximize the U.S. government's response at home, but that abroad there is no time to build new infrastructure.

Donna Read of the Alliance of Resilient Communities asked how USAID planned to help local health organizations recruit and retain staff, especially given the high attrition rate of recent years.

Dr. Carroll responded that while, in the larger context, human resources shortfalls in the health field are a great problem, especially in Africa, in the

emergency response to AI there is not time to deal with the issue. But other parts of USAID are trying to respond.

Judith Lahai-Momoh of Saving Lives through Alternate Options asked the panel not to forget that the leading causes of death in Africa are HIV and malaria. USAID should not lose sight of those diseases in its important fight against AI.

KEYNOTE ADDRESS

Faryar Shirzad, *Deputy Assistant to the President for International Economic Affairs, Deputy National Security Advisor*

In the White House, one official is responsible for coordinating all the United States' international economic and development policy. That position—held by Mr. Shirzad—is simultaneously a post in the National Security Council (NSC) and the National Economic Council (NEC).

The administration's economic agenda follows a three-part strategy to advance prosperity by alleviating poverty—promoting growth by promoting the expansion of private capital.
1. Open markets for free trade and the movement of capital, providing more opportunities for the private sector
2. Stabilize the international financial system in cooperation with international financial institutions, and help countries develop sustainable economic policies that insulate them from economic shifts
3. Integrate the global economy, expanding rules-based trading systems to include more countries and using development programs to help countries' economies grow

The President has pursued the third part of this strategy with great energy. He has increased foreign aid by more than any President since Truman: in the last five years overseas development assistance (ODA) has doubled, to the highest share of GDP since 1988. The United States now donates 34 percent of the ODA given by Group of Eight (G8) nations. Programs such as PEPFAR and MCA have the potential to have enormous impact. The President has set forth a development agenda that will pay dividends for a long time.

That development agenda is part of the broader *National Security Strategy* (NSS) *of 2002*, which envisioned using diplomatic, military, and economic means to promote economic and political freedom around the world.

In part to reflect the importance of foreign assistance, in January 2005 the administration reorganized the National Security Council itself. To ensure foreign assistance in all its aspects receives the required attention and leadership at the highest levels, it created the Directorate for Relief, Stability, and Development

within the NSC. The directorate reports directly to Mr. Shirzad, and covers all aspects of foreign assistance: humanitarian relief, stability and reconstruction, sustainable development policy, MCA, PEPFAR, and so on. The directorate also coordinates U.S. policy toward the World Bank and IMF. Its staff makes sure that these issues receive focused attention at senior levels as necessary, and that the best approaches to development and foreign assistance are incorporated into the making of foreign policy.

In the WTO the President has pushed unrelentingly for the Doha agenda because of its development potential. The WTO negotiations will be good for the United States, of course, but they also offer the potential to integrate large swaths of the world's population into the global trading system, allowing them to participate on a level playing field.

It is also very important to mobilize the private sector, not just companies but also the generous private individuals whose compassion is manifested in the work of NGOs. The full expression of America's generosity is not merely what comes from the U.S. government but also the checks that American people write to NGOs. This administration has tried to ensure that the world recognizes that generosity. In some cases it has tried to institutionalize that recognition, as when former Presidents Bush and Clinton mobilized the American people to donate for tsunami relief, a model the administration has tried to replicate in its responses to Pakistan and Central America.

Summits such as those held by the G8 provide another opportunity to advance a development agenda. For example, when, at the last G8 summit, the United Kingdom (UK) identified Africa as a development priority, other nations had an opportunity to unite in support. The President successfully championed multilateral debt relief at the G8 and the IMF, and continues to press for the same from the World Bank.

QUESTIONS AND ANSWERS

Spencer King, ACVFA Member, asked about the key differences between the *NSS of 2002* and the new NSS to be issued in 2006.

Mr. Shirzad said that he could not discuss the NSS of 2006 until it was issued formally, but that it will expand on the themes of the *NSS of 2002*.

Theodore Weihe, ACVFA Member, noted that while the President has launched a large number of new development initiatives, public perception was that those efforts were fragmented. In previous administrations, the NSC was charged with coordinating disparate efforts. He asked how this administration planned to develop greater cohesion.

Mr. Shirzad replied that the administration was taking a number of steps. On the one hand it created the Directorate for Relief, Stabilization, and Development and his own joint position. On the other is the effort that Secretary of State Condoleezza Rice described when she announced Randall Tobias as the new Administrator of USAID: to coordinate all foreign assistance programs, in part by giving the USAID Administrator partial control over funds now controlled exclusively by the State Department.

William Reese, ACVFA Member, said while for some the Secretary's reform proposals were threatening, for others they did not go far enough. He asked what ACVFA and private voluntary organizations (PVOs) could do to help implement the Secretary's ideas effectively.

Mr. Shirzad replied that though Congress has been very supportive of the President's development priorities in the past, change on the Hill, including change in certain key committee chairmanships, made the future less certain. In their dealings with Congress he asked attendees to avoid the special pleading that can hamper collective vision, and to remember that the administration undertakes these reforms with the best of intentions.

Eelko Dykstra, Professor of International Emergency Management at George Washington University, asked whether the international outreach component of the National Infrastructure Protection Plan (NIPP) would be a topic of high priority at G8 and other upcoming summits.

Mr. Shirzad said he would have to research the answer.

Anne Richard, Vice President of the International Rescue Committee, asked whether the G8's focus on Africa had succeeded in fostering beneficial change.

Mr. Shirzad replied that when the UK put forward the idea of a special focus on Africa, some in the administration observed that the G8 had an action plan for Africa already, dating from the 2002 summit. But further investigation revealed that since 2002 donor countries and Africa have significantly improved their relationship. The administration wanted to reflect at the G8 that the African Union (AU), the New Partnership for Africa's Development (NEPAD), and key states in Africa have begun to address the continent's problems on their own. In other words, a set of African leaders have begun shaping their own long-term development. It is important that the G8 not replicate the old donor-client relationship, but support domestically generated programs to build military and economic capabilities.

Frances Brighan Johnson, Co-Chair of Strategic Planning Initiatives, asked how much the White House emphasized spreading economic freedom as a component of spreading freedom and democracy.

Mr. Shirzad replied that the President does believe that economic and political freedoms are inextricably linked. The administration has taken a number of actions, including pressuring the World Bank to deal with corruption, among the most corrosive of ways governments can undermine free society. In its good-government programs the administration measures progress toward free markets and the rule of law.

Donald Rogers, Public Resource Representative for Eurasia Catholic Relief Services, asked about whether the administration thought the UN's Millennium Development Goals (MDGs) would be met, and how it planned to contribute to meeting them.

Mr. Shirzad replied that while the MDGs are important, they are not enough. The MDGs set benchmark goals; ultimately the administration wants to eliminate the problems MDGs respond to altogether. That said, meeting the MDGs will require unconventional thinking, including the promotion of economic freedom through trade policies such as the President's challenge in the WTO to eliminate all agricultural barriers and subsidies, which would primarily benefit developing-world nations.

POLICY FRAMEWORK FOR BILATERAL FOREIGN AID

Douglas Menarchik, *Assistant Administrator, Bureau for Policy and Program Coordination, USAID*

In January USAID issued the *Policy Framework for Bilateral Foreign Aid* to guide the implementation of a conceptual white paper it produced in January 2004. Under the *Policy Framework*, the 80 countries where USAID now has programs would fall into one of three categories:
- Strategic states
- States in transformation
- Fragile states

A fourth category of aid addresses global issues such as AIDS and TB, and a fifth, humanitarian assistance and emergency relief.

Mr. Menarchik said he was hired a year ago to accomplish the following:
- Create a tougher, stronger USAID
- Survey existing descriptions of the current status and future directions of foreign aid
- Implement those visions of the future on which there was substantial agreement within the Agency
- Engage other agencies to make sure that development priorities are protected as they pursue their missions
- Repair relations between USAID and the State Department

- Establish a close liaison between USAID and the Department of Defense (DOD)

The *NSS of 2002* describes the so-called Three Ds: defense, diplomacy, and development. Where these overlap, USAID can be more effective if it coordinates with other agencies. For example, development is a moral imperative unto itself, but it also has roles to play in post–September 11 security and as an instrument of foreign diplomacy. The new Directorate of Foreign Assistance at the State Department will help solidify the relationship between diplomacy and development, leading to better stewardship of funds and better coherence and effectiveness in foreign assistance.

QUESTIONS AND ANSWERS

Margaret Goodman, Government Relations Coordinator for World Learning, asked how country-level planning meetings would be affected by these reforms.

Dr. Menarchik replied that the current system pushes money to the local level, where all decisions are made. While the local picture is very important, an exclusive focus on it leaves out important regional and strategic considerations. The new plan will include strategic guidance from the regional and functional bureaus in both the State Department and USAID. Then at the local level the mission director and the ambassador's team will work together to develop a coherent plan. Today three separate funding streams are available for development assistance in any country: security assistance, development support, and economic (i.e., diplomatic) assistance. From now on there will be but a single stream, and USAID and State personnel will have to decide together how to direct it. One advantage of the new system is that it will provide more flexible funds to respond to crises or take advantage of opportunities; today, short-term needs are too often met by taking money from long-term development programs. The Directorate of Foreign Assistance should give USAID a better chance to safeguard long-term development priorities.

RECOGNITION OF FORMER ADMINISTRATOR ANDREW S. NATSIOS

Former Chair of ACVFA **William Reese** thanked Andrew Natsios for the legacy he leaves at USAID. He said that a professorship seemed the perfect next step for Mr. Natsios, who excels at questioning people, challenging them to think unconventionally, always with the intention of improving our methods and effectiveness. Now he'll do it with the younger generation, enriching young professionals who can work for USAID and PVOs in the future.

While at USAID, Mr. Natsios commissioned and shaped the report *Foreign Aid in the National Interest*, which, though it was written before September 11, is still very relevant and still informs USAID's work. He pushed USAID staff members

to think about development in new ways as they composed the white paper that became the *Policy Framework for Bilateral Foreign Aid*, and in fact that document does look at development in radically new ways. It challenges USAID and its partners to craft strategies for countries based on their particular needs—which may sound very simple, but which had not been done well over the years.

Mr. Natsios brought new thinking to other areas as well, including crisis mitigation and management. There are new structures and programs at USAID today as a result. He also came up with new ways of multiplying the effect of U.S. taxpayer dollars by working with the private sector in the Global Development Alliance (GDA). That strategy has been adopted by other donor nations—today we hear Europeans using GDA language.

Current ACVFA chair **Benjamin Homan** also thanked Mr. Natsios for his past and continuing contributions to the field, and presented him with a commemorative gift on behalf of the Committee.

Mr. Natsios commented that the atmosphere in teaching is profoundly different than that in government, where one has to be on guard constantly against potential ethical conflicts—many of which arise not because of a truly unethical situation but because of arcane rules. In academia one can use normal human standards of conduct. In addition, partisan politics mean much less. For example, Mr. Natsios said, while in past years he and former Secretary of State Madeline Albright disagreed on many issues, now he may write something for a course of hers.

AFRICA STRATEGIC FRAMEWORK

Ted Weihe, *Senior Advisor to Land O'Lakes International, ACVFA Member*

The February 2005 meeting of ACVFA introduced USAID's *Fragile States Strategy*. Following the October 2005 meeting, ACVFA created a task force to collect advice from the NGO community on how best to implement that strategy. The task force welcomes new members.

A few years ago, the written development strategy for Sudan looked much like that of any other country, but it is clear that Sudan has very different problems. USAID wanted to develop new types of strategies, so it could stop the continuing decline of places like Sudan, Haiti, and Liberia, which seem to lurch from crisis to crisis, getting progressively worse each time. And while fragile states are on every continent, more are in Africa than anywhere else.

Wade Warren, *Director, Office of Development Planning, Bureau for Africa, USAID*

The *Policy Framework for Bilateral Foreign Aid* divides USAID programs according to five core goals:
- Promote transformational development
- Support strategic states
- Provide humanitarian relief
- Address global issues and other special concerns
- Strengthen fragile states

The *Fragile States Strategy* further divides countries into:
- Vulnerable states, those unable or unwilling to assure the provision of security and basic services to significant portions of their populations and where the legitimacy of the government is in question. This includes states that are failing or recovering from crisis.
- Crisis states, where the central government does not control its own territory or is unable or unwilling to assure the provision of vital services to significant parts of its territory, where legitimacy of the government is weak or nonexistent, and where violent conflict is a reality or a great risk.

Countries pass through many stages as they enter and exit crises, but USAID's new approach is less concerned with where a given country is in the continuum of entering or leaving fragility than it is with the pattern of fragility—what is causing the country's problems. Once those driving factors are identified, USAID can design its programs to address them.

Fragile states do have certain common characteristics:
- Bad governance and corruption that make development difficult
- Lack of governmental ability or willingness to establish preconditions for long-term development
- Prevailing conditions that are too fluid and risky for savings and long-term investments to be attractive
- A society focused on securing its most basic needs in the near term

USAID's approach to fragile states, as described by the *Fragile States Strategy*, aims first and foremost to enhance stability by addressing the sources of stress and conflict in the political, economic, and social spheres. It also aims to:
- Improve security, providing an environment that enhances personal safety and averting serious outbreaks of generalized violence
- Develop the capabilities of institutions fundamental to lasting recovery and long-term development
- Respond rapidly and flexibly to changing conditions
- Coordinate with other agencies within the U.S. government and with other donor nations

In the *Strategic Framework for Africa*, USAID describes how it will apply the principles of the *Policy Framework for Bilateral Foreign Aid* to Africa. This document is now in draft form, and will be released to the public once it is final.

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In it the Agency applies the *Fragile States Strategy* to Africa using the best practices it has developed in partnership with the NGO community, which include linking relief and development; doing no harm; building capabilities for peace; and helping organizations work in difficult environments. It incorporates existing USAID regional and country goals along with the goals and objectives of African institutions such as the AU, NEPAD, and others.

The long-term vision of the *Strategic Framework for Africa* is to stabilize all fragile states in Africa. The medium-term goal is to promote democratic practices, the nonviolent resolution of conflict, and equitable economic recovery; increase security; and increase political, economic, and social stability in sub-Saharan African countries vulnerable to, in, and emerging from crisis.

The *Strategic Framework for Africa* also sets forth operational goals for fragile states. USAID will ask missions to reorient their programs to:
1. Avert and resolve conflict
2. Promote stabilization

Each of these two operational goals has strategic objectives associated with it quite different from the sector-based (e.g., agricultural, health, economic, etc.) strategic objectives that have been the norm.
1. Avert and resolve conflict
    - Advance peace processes: mobilize constituencies for peace, support the negotiation of peace agreements, and implement the planning and monitoring of peace processes
    - Reinforce African conflict-mitigation and management capabilities: improve early-warning systems, collect and analyze data to determine sources of conflict, and increase participation in nonviolent decision making
    - Protect people from physical violence: promote human rights, reduce gender-based violence, prevent torture, and fight child abduction and human trafficking
2. Promote stabilization
    - Reintegrate people affected by conflict into society: provide humanitarian assistance and services to displaced persons
    - Increase access to essential services provided by local and national institutions
    - Advance basic ideas of democratic governance, establishing a balance of power and reducing corruption
    - Restore and/or maintain basic economic activity so that people can earn livelihoods

All missions in Africa are now writing new strategies based on the *Strategic Framework*. For fragile states those strategies focus on the key driving factors of fragility. Work will have to cross traditional sector boundaries, pursuing stabilization as well as sector-based goals. The new strategies may shift

programs from one area of a country to another to keep focus on geographic sources of instability. Finally, missions will need to adopt more agile, flexible methods.

In the Democratic Republic of Congo, for example, USAID conducted a field-based workshop with its NGO partners to identify the main sources of fragility. The consensus that arose was that there were three:

- The reliance of the transition process on a tenuous power-sharing arrangement
- The competition for resources in the absence of a unified, legitimate state
- Congo's legacy of self-serving elites who appropriate state resources for their own benefit

USAID is designing a program that addresses these sources of fragility. It will continue to advance democratic governance, increase state legitimacy through the provision of services, and promote disarmament, demobilization, and reintegration of displaced persons. But at the same time it will increase its emphasis on the eastern part of the country, on protecting people from violence, and on reducing competition for natural resources, especially in the extractive industries.

Similarly, in Liberia USAID held a field-based workshop to identify sources of fragility. The consensus there was that fragility in Liberia also arose from a competition for natural resources, as well as the deliberate exclusion of the majority of Liberians from political life and economic opportunities. In its redesigned program for Liberia, therefore, USAID will work to:

- Help the Liberian government and civil society become better able to address sources of conflict
- Restore basic services to Liberian communities, especially those that have been disenfranchised
- Expand reintegration activities to ensure that benefits reach the broader community, and support long-term rehabilitation efforts
- Strengthen governance structures at the national level with multisector approaches to addressing corruption, increasing participation in the political process, expanding access to the justice sector, and supporting GEMAP (Governance and Economic Management Assistance Program)
- Empower youth, women, and other previously marginalized groups

QUESTIONS AND ANSWERS

John Sullivan, ACVFA Member, said that one of NEPAD's most interesting mechanisms was its system of peer review. None of the fragile states in Africa have signed up for it, though perhaps Liberia will. Reviews have been conducted for Ghana and Rwanda, but it has been difficult for the private sector to obtain the resultant documents—in fact it has been difficult in general for the private

sector to interact with NEPAD. He asked whether the U.S. government could help make NEPAD's processes more open.

Mr. Warren said that NEPAD's peer review was supposed to be quite transparent, and that it was discouraging to hear of difficulty in obtaining review documents. The State Department is considering using Economic Support Funds to aid the peer review process, which would provide some leverage. USAID is also working with NEPAD as part of the AU's effort to field its own team of election monitors, reducing its reliance on Western teams.

Harry Lightfoot, Office Director, Office of Sustainable Development, Bureau for Africa, USAID, added that USAID's Initiative to End Hunger in Africa has enabled the Agency to work with NEPAD on its comprehensive agriculture program. While it is true that NEPAD has not gotten any fragile state to commit to peer review, its agriculture program has put mechanisms in place that would allow them to conduct those reviews if any fragile state does agree.

Theodore Weihe, ACVFA Member, asked whether the strategic objectives in the *Strategic Framework for Africa* and the country strategies would be followed by the development of benchmarks and measurements of stability.

Mr. Warren replied that that was the intent, but that those benchmarks and measurements were not easy to develop. The monitoring frameworks already in place will not be abandoned because of the fragile state approach, but those existing measurements are sector-based and therefore not totally appropriate.

Mr. Weihe asked how USAID will be changing its relationships with its current partners as missions rewrite their strategies.

Mr. Warren said that while all missions in Africa are rewriting their strategies, it is the ones in fragile states that will change most significantly. Ongoing contracts will not simply come to an end, however. In some fragile states, the new strategy will reorient activity toward another geographic area, in others it will refocus the activity itself. In most cases it is easier for USAID to make such changes with existing partners rather than opening up new bidding on a large scale.

Mr. Weihe asked for the names of the fragile states in Africa, apart from Congo, Guinea, Liberia, and Sudan.

Mr. Warren said that he resisted listing those in his presentation because countries do not like to be categorized as fragile. Many people associate fragility with violent conflict, but in the case of Ethiopia, for example, which on a chronic basis cannot feed many of its people, there is fragility without conflict. Uganda has a stable government, but has had a displaced persons problem for the last 20 years. In addition, the State Department has not yet formally defined fragile states.

Mr. Lightfoot and others added Chad, Angola, Zimbabwe, and Burundi to the list of possibly fragile states.

Julie Eday of Catholic Relief Services asked how the focus on fragile states in Africa would interact with the other two Ds of the *NSS of 2002*: diplomacy and defense.

Mr. Warren replied that the Secretary of State was trying to establish the necessary coordination by making Ambassador Tobias both the Administrator of USAID and the Director of Foreign Assistance at the State Department. Until now, the separate management of accounts at USAID and the State Department has led to a sense of disconnection between foreign policy and funding priorities. Coordinating with DOD is more complicated, because Secretary Rice does not have responsibility for DOD's funding, but DOD is doing more and more development work in Africa, and that will eventually require more coordination as well.

M. K. Cope, Vice President for Sub-Saharan Africa, International Executive Services Corps (IESC), noted that one of the difficulties in fragile states is that so much needs to be done at once. The focus is often on building the public sector initially with the private sector to follow, but the private sector is vital to establishing the economic viability of a country. She asked how USAID planned to work with the public and private sectors simultaneously.

Mr. Warren said that USAID's Global Development Alliance does promote public and private alliances in development, though it is more difficult to do so in fragile states because in many cases basic social and physical infrastructure is lacking, which can make companies skittish. He added, however, that long-term development is not possible without private-sector participation, and even in fragile states USAID's programs seek to engage the private sector whenever possible.

Mr. Lightfoot added that fragile states often do have many untapped natural resources, which hold out the promise of great returns on USAID investment if private companies can be attracted. But infrastructure is often lacking, and fragility also often means conflict. The Agency has to work on governance structures to ameliorate those problems. Guinea, for example, has great potential for development, but conflict makes it impossible. If the Agency can address the driving factors of fragility, it may be able to attract investors. USAID's African Global Competitive Initiative focuses on trade; under that initiative the Agency will inject at least $60 million into African infrastructure in the next three to four years, with the aim of attracting $1–1.5 billion in investment.

REMARKS OF THE ACTING ADMINISTRATOR

Frederick Schieck, *Acting Administrator, USAID*

Mr. Schieck arrived from the first meeting of the "Helping to Enhance the Livelihood of People around the Globe" (HELP) commission, authorized two years ago with an appropriation of $4 million to investigate the effectiveness of foreign aid in the broadest sense. It includes appointees from the House, Senate, and White House, Democrats and Republicans. Perhaps nineteen have been appointed to the commission's twenty-one seats; fifteen were at the meeting.

Rep. Frank Wolf (R-VA), who sponsored the commission's authorizing legislation, spoke to the group today. He is interested in Africa and what he sees as the failure of aid there: in his view not much progress has been made. The HELP commission also seemed to have a general sense that perhaps foreign aid has not worked at all. There was much discussion about failed programs, and not much about successful programs. Much discussion focused on MCA.

The HELP commission feels its purview includes any U.S. government agency administering any foreign aid program. The group decided not to focus on funding levels but on how to improve the effectiveness of whatever aid is administered. HELP commissioners were also concerned that when they do reach conclusions, the commission's work must be actively promoted if it is not to fade from public view. That may happen anyway, because these are controversial issues in which a lot of actors have a lot at stake.

The authorizing legislation says the commission must finish its work by December 2007. The commission decided to try to finish by the summer of 2007. USAID will provide the detailed information the commission needs. The commission will also reach out to the NGO and private sectors. There may even be a Web site for people to send in ideas.

Meanwhile, USAID awaits confirmation of Ambassador Tobias as Administrator. His nomination went to Congress on February 17, and he is expected to be confirmed within a few weeks.

QUESTIONS AND ANSWERS

Judith Lahai-Momoh of Saving Lives through Alternate Options suggested that as USAID and the HELP commission are focusing on Africa, they and ACVFA should make more of an effort to include Africans living in the United States in discussions.

Robert McAlister of the International Development Program of the Joint Jewish Distribution Committee seconded that suggestion, particularly for the discussions of ACVFA.

Mr. Schieck replied that the HELP commission did want to talk to Africans not only in this country but in Africa.

Solange Motta, Executive Director of the Children of the Sun Foundation, said that her organization has been investigating the situation of juveniles in jails in Haiti, the Caribbean, and Central America. These children, from ten to seventeen years old, don't have any alternative but delinquency, and her organization aims to transform those places into centers of education.

Mr. Schieck agreed that this was a serious problem, in part because the legal systems are such that children can sit in jail for years without ever being tried and in part because poor governments usually don't have much money to spend on prisons. USAID may not be able to provide much support in this area, in part because it is prohibited from giving assistance to police, but it may be able to help on a case-by-case basis.

Peter Cross of Management Sciences for Health asked whether USAID had considered the possibility that one source of fragility may be the concentration of power in central governments.

Mr. Schieck replied that in many countries, USAID is working to strengthen local governments. Stronger local governments are more responsive to local needs; mayors have to face their electorates every day, whereas ministers don't have to talk to anyone but their assistants. USAID's Office of Transition Initiatives specifically spends much of its time on local governments, in part because it is an effective way to demonstrate to people that change is coming.

NGOs ON THE GROUND: EFFECTIVE INTEGRATION ACROSS THE U.S. GOVERNMENT

Spencer King, *Member, ACVFA Military Affairs Task Force, President and CEO, International Executive Service Corps (IESC), ACVFA Member*

Not much has been written about how to integrate the work of two or three major U.S. government departments. The military affairs task force is trying to deal with that question. It does not have budgets and timelines, but it has come up with one idea it would like to promote. In addition, ACVFA would like to invite the public to contribute its own ideas.

Last October, Michael Hess made a presentation to ACVFA on the military liaison model. He described intersecting circles of the Defense and State Departments, and within them a smaller circle called development. The military affairs task force was formed following that public meeting.

Through the Volunteers for Economic Growth Alliance (VEGA), IESC has been cooperating with the military in Iraq. There was no requirement to work with the military. Part of the motivation was to ensure security for its own workers. Another part was that the young captains in the military's civilian-affairs corps who were trying to work with the private sector had no experience in development. They had difficulty with detailed questions of channels of distribution, marketing, quality control, and so forth. IESC suggested that perhaps NGOs could help train some military civilian-affairs personnel before they were deployed, helping them learn sector analysis and some documentation (such as templates for business plans, or modules for business centers).

There are literally thousands of volunteers available in the United States to conduct such training. What if they could be enlisted to help for more places than just Iraq? DOD would have to identify beforehand the sectors in which they planned to work, of course. In a future stage, could NGO volunteers even team with the military in the field?

On November 28, 2005, the President signed *Defense Directive 3000.05*, "Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations," which summarized some of these discussions. Section 4.5.2 of that document refers to teams "open to representatives from other U.S. Departments and Agencies, foreign governments and security forces, International Organizations, NGOs, and members of the Private Sector with relevant skills and expertise."

The task force has now drafted a rough version of a proposal to formalize this type of relationship in USAID. Its language does not refer to military cooperation specifically but to "integration across public agencies."

Chris Hoh, *Director for Response Strategy and Resource Management, Office of the Coordinator for Reconstruction and Stabilization, U.S. Department of State*

While it is true that not a lot has been written on the subject of today's discussion, some has been by various government agencies, think tanks, and NGOs. All touch on the need in the post–cold war era for more focused, integrated approaches that bring together the efforts of the military; various civilian agencies dealing with foreign assistance and foreign governments; and the broad array of partners working overseas on conflict transformation. Much of what has been written on the subject is available through www.crs.state.gov.

The State Department's Coordinator for Reconstruction and Stabilization (S/CRS) was created in 2004 to coordinate and strengthen all U.S. government efforts for reconstruction and stabilization. It is clear that the challenges the United States now faces cannot be addressed satisfactorily by one or even two agencies at a time. Nor can one address only one sector at a time (security, for example, independent of the rule of law or economic stabilization).

S/CRS aims to coordinate U.S. government efforts under the leadership of the foreign policy establishment—the Secretary of State. While this may seem intuitive, it was not the case in U.S. planning efforts for Iraq, and we see today there was a price to be paid. Our thinking has been that you cannot set up a cabinet-level agency for major interventions—*contra* Francis Fukuyama—because countries don't pass a bright line from routine to extraordinary; rather, they go through a long, gradual transition process toward and out of crises. It is important to have the same organizations involved in the stages leading up to a crisis; in the middle, when the crisis is severe; and following a crisis, as a country begins to stabilize. For that reason S/CRS does not want to duplicate the efforts already underway across the government. Its mission is to organize. S/CRS will coordinate with international and nongovernmental partners and develop "personnel surge" mechanisms: the ability to send large numbers of people to work on a specific problem when the need arises, in a manner that has them all aware of the responsibilities of all the others.

The S/CRS mission, therefore, is "to lead, coordinate, and institutionalize U.S. Government civilian capacity to prevent or prepare for post-conflict situations, and to help stabilize and reconstruct societies in transition from conflict or civil strife so they can reach a sustainable path toward peace, democracy and a market economy."

While it has many aspects, S/CRS can be boiled down to a few new approaches:
- Essential Tasks Matrix, a checklist of the tasks that must be considered, sector by sector, in the effort to stabilize a country in the short term, and in the long term to help it develop to the point where indigenous leadership can take over.
- Best Practices Thematic Guides.
- A semiannual watch list of countries at risk composed by the National Intelligence Council.
- Conflict Assessment and Analysis, a method to review systematically in a given country the factors driving conflict and the nation's institutional capabilities.
- Strategic Planning Template, a way for the U.S. government to determine its goals at the largest level; set its specific sub-goals and essential tasks; and settle on methods to achieve those goals, including an allocation of responsibilities among agencies, an assessment of risks, a projected sequence of events, and an understanding of how resources will be allocated. Specific responsibilities are assigned to each agency involved and metrics devised to track progress.

We have a two- to three-year window to affect the dynamics in a given society. After that, most local people decide they can see where things are headed, and international assistance begins drying up. In fact, we probably only have a few months at the beginning to avoid a negative trajectory—i.e., for the "spoilers" to

figure out that we mean business, for those on the fence to decide to give us a chance, and for the people who will be the agents of change to feel safe enough to take chances. Combining a good analysis of the factors driving instability with good strategic planning allows us to put limited resources in the most important places during that short period.

Mike McNerney, *Director for International Capabilities, Stability Operations, U.S. Department of Defense*

In preparing for Afghanistan it became clear that civil-affairs personnel in the armed services were not well enough prepared to deal with postconflict issues and civil-military relations. DOD has decided it needs to do a better job of preparing military personnel and personnel at the State Department and USAID to work together not just at headquarters but in the field.

Defense Directive 3000.05 is a transformational directive, one that will lead to organizational change. *Directive 3000.05* will change the way DOD prepares for most operations apart from major combat—those DOD calls "stability operations": peacekeeping, providing assistance to local populations, training other militaries, and so on. It assigns eighty-three separate tasks to eighteen different parts of DOD, reaching across education, training, planning, and exercises—including requiring DOD to learn how to measure units' readiness for stability operations, a much more difficult proposition than measuring their readiness for combat.

Many have asked whether this kind of transformation is an overreaction to what has happened in Afghanistan and Iraq—whether DOD is fighting the last war. Anyone who has watched the performance of DOD and the international community in Somalia, Bosnia, Kosovo, and Haiti should know that this is not a one-time problem. Stability operations are with us for the long term. We have to be better prepared to undertake them not because of Afghanistan and Iraq but because of what we see as major challenges in the future.

This change is primarily about DOD. It is not DOD's attempt to take over the jobs of other agencies, nor is it an attempt to force civilian agencies to do jobs DOD does not want to do. In fact *Directive 3000.05* is meant to prepare DOD to do whatever it is asked to do. There is no desire to undertake more stability operations; DOD merely wants to do a better job of those it does undertake, in partnership with the State Department and USAID, and when appropriate with NGOs in the field. The directive does address DOD's need to work with civilian agency counterparts to strengthen their capabilities, with a focus on being prepared.

Directive 3000.05 does have many repercussions for civilian agencies and civilians in the field. For one thing it is a public statement that civilian and military cooperation will only increase in importance in the future. In fact *Directive*

3000.05 puts stability operations on par with combat operations, a clear signal that the two are equally important. It also highlights DOD's need to fill the gaps where civilian agencies cannot operate either because the environment is insecure or because they cannot train local police forces and militaries.

Directive 3000.05 emphasizes the importance of opening DOD's educational institutions, training centers, and exercises to non-DOD participation. There is a strong effort to involve State Department officials, USAID personnel, and representatives from the NGO community in tabletop exercises and classes. All U.S. government agencies agree that future training and exercises should have a strong interagency presence. DOD does not simply plan to address training immediately before deployment, where it has made some progress, but create from the earliest levels of training a culture that emphasizes the importance of working with civilian agencies.

Three offices in particular are important for this transformation effort:
- S/CRS.
- USAID's Office of Military Affairs, DOD's most important link to the NGO community.
- A group organized by the Institute of Peace, bringing together InterAction and DOD. In that group, DOD, USAID, the State Department, and NGOs can discuss issues of mutual concern informally and nonconfrontationally.

DOD hopes that the work it is doing now will prepare it for the next ten to fifteen years, so it won't be making the same mistakes in 2015 it made in 2002.

John Champagne, *Senior Military Advisor, Office of Military Affairs, Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA), USAID*

The Office of Military Affairs (OMA) was established formally last March, when then-Administrator Natsios decided USAID needed an organization to coordinate its relationship with DOD. The Office of Foreign Disaster Assistance in DCHA already had a Military Liaison Unit, but it mainly functioned during humanitarian crises. OMA is designed to facilitate cooperation with the military more broadly (and to a lesser extent with S/CRS).

USAID is still early in the process of staffing OMA: it has hired three of what will be a staff of fifteen to eighteen. Ultimately OMA aims to have representatives at all of DOD's combatant commands, to contribute to their planning processes at the earliest stages and to make sure USAID understands those plans thoroughly. In the short term most of these will be former USAID officers. Staff representatives for European Command and Special Operations Command have been identified, and the one for Southern Command is in place.

The Agency also believes strongly in its relationship with S/CRS, and currently has eight to ten people working in that office. USAID will be available for the

"surge capacity" mentioned earlier—though USAID has only 2,100 officers, including 1,100 foreign-service officers, and is at any time around 100 short of filling all its vacancies. To respond quickly to emergencies it will have to call on retired officers and private contractors.

So far the military is well ahead of its civilian counterparts in reaching out to interagency partners. But USAID is beginning to catch up. The NGO community should help shape the Agency's responses, because NGOs make up the delivery mechanism for any program USAID supports.

QUESTIONS AND ANSWERS

A participant said he was encouraged by the fact that USAID and the DOD were trying to improve coordination. But, he said, many NGO workers' lives were at risk because agencies were trying to reinvent the wheel. The United States has a history of how to work with NGOs without getting people killed: it had good models in Vietnam, Laos, and Thailand. It doesn't make sense that Provincial Reconstruction Teams (PRTs) can't seem to do the same today. Operations in Afghanistan today are not secure, and his organization has lost ten of twelve of their NGO supporters as a result. Four aid workers were killed last week; eleven died in twenty-four hours last year. This process must move faster; the solution cannot be five years in the future.

Mr. Hoh agreed, and said he hoped Congress felt the same way. He said he thought agencies within the U.S. government had made progress a year ago on what models might work, and a year later sees we are still discussing models. A sense of urgency is lacking from the Washington policy community and Congress. This coordination will require investment up front and some tough choices, because working together means changing the way individual players do business. But without change the United States will continue putting people in unsafe conditions, at a huge cost in treasure and blood. In Iraq and Afghanistan the United States is keeping battalions in wartime environments at a marginal cost of $1.2 billion every month for each division. It is risky to put people in environments where there is no clear picture of what the United States is trying to accomplish. When our actions do not line up with our stated goals, we create a kind of confusion that opportunists can exploit to undermine our mission.

The civilian agencies need to adapt a few pages from the military playbook: they need to plan, practice, and prepare. They need to know what they need before a crisis—in staff, training, and equipment—so that when the call comes, they can respond quickly.

It is frustrating that progress is slow, but there has been significant progress. It should not take another ten or fifteen years for agencies to get where they need to be.

Mr. Champagne added that a team from Joint Forces Command worked with USAID and the State Department to assess the PRT program in Afghanistan. Their final report will soon be elevated to the level of senior interagency review, with findings and recommendations. Many agree that the current approach needs to be fixed.

Mr. McNerney argued that PRTs per se should not be the focus; instead focus should be on civil-military teams in general. He agreed that the model in Vietnam worked better. But, he said, sometimes these changes do take a long time. The Goldwater-Nichols Act of 1986 was Congress's direction to the military to create "jointness," or coordination among the Army, Navy, and Air Force. It has taken twenty years to realize that vision. Now the U.S. government has to do the equivalent of Goldwater-Nichols for multiple agencies, and without guiding legislation. If we panic and aren't satisfied with results in a year or two, we may scrap attempts like S/CRS, OMA, and stability operations before they have a real chance. Some would argue that that is what the armed forces did after Vietnam, in giving up on everything but major combat operations.