

# **ACVFA Joint Subcommittees on Foreign Assistance Framework**

## **Listening Session Notes**

**Monday, October 20, 2008, 3 pm to 5 pm**

**CIPE Conference Room, Washington, D.C.**

### **Participants:**

**ACVFA Members or Representatives:** John Sullivan (Chair), Michael Allen, Ritu Sharma, Corey Griffin, Bill Horan (representing Deb Bensen), Spencer King, Jeremy Konyndyk (representing Nancy Lindborg), Carlisle Levine (representing Helene Gayle), Steve Moseley, Elise Fiber Smith, Randy Tift (representing George Ward), Ted Weihe, Gregg Willhauck (CIPE), Aaron Williams, Ken Wollack and Sam Worthington

**USAID Staff:** Jocelyn Rowe (ACVFA Executive Director).

**Presenters (in order):** Liz Schroyer, Center for U.S. Global Engagement, Sam Worthington, InterAction (ACVFA Member), Steve Radelet, Center for Global Development and Modernizing Foreign Assistance Network, Bill Lane, Caterpillar and HELP Commissioner, and Rick Barton, Center for Strategic and International Studies and “Smart Power” Initiative.

### **Discussion:**

#### **Overview of Key Principles as referenced in the Modernizing Foreign Assistance Network report (Ritu Sharma):**

Poverty reduction should be a specific goal for US foreign assistance

Assistance programs should be set up for long-term funding and results over time

US assistance should focus more on building local capacity

Humanitarian Assistance should continue to be an important part of US aid

Foreign Assistance programs should be under civilian control

Need programs to be coherent and rationalized

Global development should be a priority for US national interests

Resources should be sufficient and flexible, with accountability for results

The US should partner with others (multilaterals, NGOs, etc.) to produce results

#### **Overview of ACVFA Process (Jocelyn Rowe):**

Notes from today’s session will be posted on the ACVFA web page. The forthcoming recommendations will be presented at the ACVFA’s March 2009 public meeting. In

addition, they will be posted on the ACVFA web page next month and shared with Administrator Fore, the USAID senior leadership and the incoming transition team.

**Transition Forecast (Liz Schroyer):**

Both campaigns are looking at the issue of US foreign assistance but the main question is the impact of the financial crisis and the economy on the next Administration's ability to move forward on potential reforms as it will require a significant amount of support that may be required elsewhere.

Two key signals of a possible direction that reforms could take will be 1) who is nominated to fill cabinet level positions (State, DOD) as well as NSC and USAID (what level?) and 2) the FY 2010 budget submitted by the new Administration.

Four key action steps are driving the discussion:

1. The need for a national development strategy that reflects a robust U.S. foreign assistance program;
2. A rewrite of the Foreign Assistance Act to reach an understanding between the Congress and the President on management authorities;
3. A cohesive and coherent structure;
4. Increased funding and accountability for US assistance

There is more specificity in the Obama reform plans but McCain does discuss hiring and revitalizing the former USIA.

**Overview of InterAction's Recommendations (Sam Worthington):**

Supports Cabinet level position as the farthest outpost. This is a means to open up the space in the InterAction community for discussions of other options;

Poverty eradication is key principle;

Understands the need for U.S. foreign assistance to strengthen and enhance US interests. Support a national development strategy;

Concerned that US' overall leadership role is negatively impacted by fragmented U.S. foreign assistance program;

Structure – cabinet level is preferred or USAID as independent agency if a State super structure is alternatively proposed;

Funding – zero sum game;

**Overview of Modernizing Foreign Assistance Network Recommendations (Steve Radelet):**

The conversation started with the positioning of both the MCC and PEPFAR outside of USAID and then followed with the "F" process. This clearly reflected the belief that the current mechanisms in place were not working. This was also reflected by the establishment of the HELP Commission by Congressman Wolf and most recently,

remarks made by Defense Secretary Gates regarding the need to revitalize U.S. foreign assistance.

MFAN has four key pieces that are interlinked:

1. National Development Strategy;
2. Resources: how much and how we allocate; multi-late funding is slim; equal amounts of funds are going to middle-income and poor countries;
3. Legislation (Foreign Assistance Act);
4. Organizational structure: elevate USAID, equally strong as State with autonomy; consolidate the programs across the Cabinet level Departments; cabinet level is optimal.

### **Overview of HELP Commission Recommendations (Bill Lane):**

Main concern as Commissioner was rebuilding capacity of USAID with hiring of more Foreign Service officers, modernizing how foreign assistance is “done,” grand bargain on earmarks, emphasis on trade and capacity building;

Concerns about branding – not just overseas but also with domestic US audience – getting credit where credit is due;

Structure – 3 options – cabinet level, State and USAID consolidation, and a hybrid (super size);

Look at how USTR has become a cabinet level agency and its impact and success;

### **Overview of Smart Power Recommendations (Rick Barton):**

Report driven by the perceived need for a positive worldview of the US

Global development is key – working assumption;

Rethinking of US foreign assistance is good but there are competing interests – crowded market place of policy initiatives in a new Administration, expectation of progress from Day 1 is too high and funds will be tight;

Threats and opportunities – need for a stronger civilian side – State, Treasury and USAID need to be at the NSC table;

Transparency on resources is key;

Review of what we do well – realization that we do not do everything well;

Governing council of USG interagency development partners, chaired by USAID Administrator;

### **Discussion:**

Governing council would have to be an interagency effort – the key signal will be how elevated is the role of the USAID Administrator in the new Administration;

Role of USAID Administrator needs to be defined and also the role of DOD's 1206 and 1207 accounts (go beyond the Gates' rhetoric which has been helpful);

Need to more actively work with House and Senate Armed Services Committees (already underway but need to continue); The sheer nature of DOD's desire to "get things done" means that funds move in that direction;

What about an executive order, early on – what would be key elements?

1. Key person at principals' meetings (NSC)
2. USAID budget authority restored by OMB
3. Consolidation of current USG cabinet level foreign assistance programs
4. NSC deputy on development and bring in trade – perhaps a senior director for coordination

This does not pre-judge an outcome vis a vis legislation or a national development strategy;

People and budget will be key – need the right people to begin the dialogue;

"Steep Hill" report referenced – (link sent to the ACVA Members);

Need to lay out priorities on Day 1;

What about the need for a renewed commitment to long-term development as well as defining end outcomes;

PRM and OFDA programs need to be reunited;

What about a fourth USTR rep for developing/poor countries?

Need clarity of thought – 150 account could be axed in the next Administration;

Also look at the OECD Paris Declaration and the Action Agenda for Accra;