

U.S. Agency for International Development

Advisory Committee on Voluntary Foreign Aid

USAID's Strategies for Conflict Prevention,
Procurement Reform, the Global Development
Alliance, and HIV/AIDS

Meeting Report

Public Meeting - October 17, 2001

ACVFA

Advisory Committee on Voluntary Foreign Aid

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Procurement Reform, the Global Development
Alliance, and HIV/AIDS**

October 17, 2001

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**Advisory Committee On Voluntary Foreign Aid
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“USAID’s Strategies for Conflict Prevention, Procurement Reform, the Global Development Alliance, and HIV/AIDs”

Welcome and Introduction: William S. Reese, ACVFA Chair

William S. Reese, ACVFA Chair, welcomed the ACVFA members, the U.S. Agency for International Development (USAID) staff, and meeting participants. Mr. Reese remarked that much has been said about the world not being quite the same since September 11, but the irony and the sad part is that much is still quite the same. The work that is done by USAID and by private voluntary organizations (PVOs) in other parts of the world must go on. Mr. Reese noted that the meeting agenda is essentially the same agenda set for the earlier date, but the discussions will be deepened by the tragic events of September 11. He pointed out that the development community should not lose focus on the work they do all around the world, especially in countries that may not seem to be central now.

Mr. Reese welcomed two new ACVFA members to the meeting: Sally Montgomery Brumbaugh, formerly with USAID, and Mary McClymont, President of InterAction.

Mr. Reese noted that USAID Administrator Andrew S. Natsios could not participate in the meeting due to scheduling constraints, but he was very supportive of the agenda and would be working closely with ACVFA in the days and months to come.

The focus of the public meeting was on improving and enhancing how USAID and the private sector can work together. The morning panel and breakout sessions focused on conflict prevention and developmental relief. The afternoon panel discussion addressed the issues of procurement reform, the Global Development Alliance, and USAID’s response to the HIV/AIDS pandemic.

Opening Remarks: “The Role of Civil Society in Conflict Prevention”

William Garvelink, Deputy Assistant Administrator,
Bureau for Democracy, Conflict and Humanitarian Assistance,
USAID

Mr. Garvelink welcomed everyone to the meeting on behalf of USAID. He reiterated that Administrator Natsios wanted to attend the ACVFA meeting, but due to the current situation, particularly in Afghanistan, he was unable to participate. Mr. Garvelink remarked on the timeliness of the issues under consideration at the meeting, particularly conflict prevention, HIV/AIDS, and changes at USAID.

Mr. Garvelink stated that all healthy societies have vibrant civil society organizations that play a role in this area. Non-governmental organizations (NGOs) have become

particularly active in conflict prevention. Conflict prevention is now being treated as a sector or a field of endeavor and the concept has been given more definition in recent months. Mr. Garvelink remarked that this meeting would help to increase understanding of the subject.

NGO programs have worked on the root causes of conflict for many years, but have called it poverty reduction, empowerment of women, or good governance. These are all elements of conflict prevention and have been part of the portfolio of humanitarian assistance groups for many years. Mr. Garvelink commented that NGOs and civil society organizations are uniquely positioned to play a large role in conflict prevention. The activities of these groups are parallel and complementary to the conflict prevention activities of diplomats and governments.

Another element of conflict prevention is HIV/AIDS. Civil society organizations and NGOs have a big role to play in limiting the spread of this disease and working with the individuals and communities who suffer from it. Mr. Garvelink noted that conflict prevention is a complicated, long-term issue. One group of organizations or donors cannot deal with it alone. Mr. Garvelink pointed out that meetings such as this ACVFA meeting help diverse organizations sharpen their focus and work together more effectively.

Panel Discussion: "Conflict Prevention and Developmental Relief"

Moderator: Charles MacCormack, ACVFA Member, President, Save the Children

Mr. MacCormack opened his remarks by reminding the audience that the events of September 11 underscore the importance of trying to prevent conflicts and address the root causes as well as the symptoms of conflicts.

Mr. MacCormack reinforced the statements of Mr. Garvelink that conflict prevention has been a reality for most development organizations for a long time. However, it is more important today. Eleven years ago, Save the Children (SAVE) was working in eleven countries that were in pre-conflict, conflict, or post-conflict emergency situations. Today, SAVE works in 32 countries that fit this description. In 1990, SAVE devoted 20% of its budget to emergency response and humanitarian assistance. Today about 60% of its budget is devoted to that purpose. SAVE is still a development agency but must work in the context of failed states, civil strife, war and other forms of crisis.

Mr. MacCormack referred to the humanitarian principles of the Red Cross and NGOs that were written to help guide NGO humanitarian response efforts. The first principle begins by stating that all relief actions affect the prospects for long-term development, either in a positive or negative fashion. He noted that relief and development are interconnected processes.

Mr. MacCormack put forth several examples of how immediate relief can be packaged in ways that are supportive of long-term development goals. In 1993 Mr. MacCormack

traveled to Somalia to look at SAVE's programs. The Food for Work program employed 20,000 Somalis to clear the irrigation canals that had silted up during the periods of uncertainty. Those canals are still operating today as a result of the training and the community groups that were formed at that time. In Bosnia SAVE reestablished preschools and primary schools throughout the country, trained teachers, and established parent organizations. SAVE provided seed funds and training, while the communities paid the operating costs. Those schools, established during a war situation, continue to this day. Mr. MacCormack stated that he would soon be speaking to the House Committee on International Relations about Afghanistan, asking them to think about the health and education infrastructure that is virtually nonexistent in that country. Immediate relief can be organized in such a way as to build upon the tremendous capacity of the Afghan people to contribute to long-term development.

Dayton Maxwell I, USAID, Special Advisor to the Administrator on Conflict Prevention

Mr. Maxwell recently returned to USAID to establish a new conflict prevention priority for USAID. He noted that launching this new initiative is like the DART experiences, when the mission objective often rapidly evolves. The need to determine what terrorism means for conflict prevention and developmental relief has been juxtaposed on the original agenda. There is a need to adjust strategies and priorities to current events.

Mr. Maxwell remarked that by nature, conflict prevention is long-term. Reestablishing stability in post-conflict situations requires at least five years, and probably longer. If the mandate in the Administration is short-term oriented, conflict prevention and peacebuilding cannot be effective. A change in U.S. government policy will be required in order to do effective conflict prevention. The starting point is to find out where new policies can be established which can permit long-term, effective, conflict prevention programs.

USAID currently has two consultants looking at policy options. As a result of their work, the first indication is that the State Department and the Department of Defense (DOD), as well as Congress, welcome USAID's conflict prevention initiative, and that a long-term focus for USAID and for the U.S. government as a whole is the right direction. Mr. Maxwell remarked that effective conflict prevention is not just development assistance. Effective conflict prevention requires addressing the political issues in these environments. Democracy and governance programs, as well as activities of the Office of Transition Initiatives, are already doing that in USAID. However, if creating democracy also creates conditions in which conflict is more likely to occur, then one must look at these programs carefully and see what else needs to be done in order to prevent the conflict that tends to get generated around the democratization process. A conflict prevention initiative will require closer working relationships with State and DOD on the political factors.

USAID hopes to be able to provide more support for programs that build and strengthen civil society and make governments more responsive and accountable to their publics. Mr. Maxwell stated that there is a wide array of activities that fit under the umbrella of

conflict prevention. InterAction produced a paper that defines developmental relief from the perspective of their members. Developmental relief means providing relief while immediately addressing the medium and long-term development issues in post-conflict situations.

Mr. Maxwell stated that there are numerous examples of the need for bringing the mid- and long-term development issues right up front. He cited the example of the joint U.K.-U.S. Civil Planning Mission in early 1994 in Sarajevo. The new government in Bosnia wanted to transition immediately to a free market economy. It also wanted to construct two hospitals. But reconstructing two hospitals in a city without a public health care system required immediate reforms in public health care policy. Both these issues required starting development assistance action immediately. Mr. Maxwell expressed hope that the United States would be able to address the long-term development issues in Afghanistan immediately when conditions permit.

Many of the standard activities of NGOs in the civil society strengthening and peace-building domain will contribute to conflict prevention. Mr. Maxwell noted that there are some new challenges. As NGOs work with the leaders of various countries to engage their populations more effectively, the NGOs must become more engaged at the political level. This may create struggles within the organizations about political involvement. Mr. Maxwell remarked that World Vision struggled with this issue during his tenure there. Good coordination and communication between senior officers at headquarters and field staff is critical, and visits by senior officers to assist in the sensitive dialogs with host country governments can be a critical part of the process.

The issue of security sector reform has been brought up in the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD/DAC) as a major area of need. Mr. Maxwell mentioned World Vision's and CARE's experience in community policing programs and the effort to make local police forces more accountable to the community. Bringing civil society groups into peace negotiations is another sensitive area. This puts civil society in a role to help monitor the implementation of peace negotiations - a role that World Vision assumed during the Sierra Leone peace talks in Lome. Efforts such as these must be expanded.

Mr. Maxwell stated that terrorism is going to be a severe challenge to the development community. He believes that there is a need to create an open dialog between the West and Islamic communities, as well as to help diverse Islamic communities dialog among themselves. He also stated a need to examine ways to increase communication so that differences get addressed in a peaceful manner in the future.

John Fawcett, Consultant

Mr. Fawcett stated that peace-building is a political process and anyone engaged in it is a political actor. Mr. Fawcett then presented his view of the current state of the politics of aid. He asked the audience to think about whose politics NGOs are trying to implement. Ostensibly, they are trying to assist the people of the society in question, and therefore

have the interest of those people as their primary goal. Mr. Fawcett suggested that NGOs have abandoned that goal for other political goals. The U.S. government has the primary interest of the U.S. public as its goal. Businesses are profit-oriented. The UN responds to the national interests of its members. All of these groups may have an interest in promoting peaceful societies, but it is not their primary goal. This leaves the NGO community, whose natural goal has always been to advocate within the international community for the interests of these people. That is why these organizations exist.

In Mr. Fawcett's view, NGOs have been co-opted by money over the past decade. They are pandering to the interests of donors more than responding to and advocating for the needs of the people that they should be helping. Mr. Fawcett asked how NGOs could evolve out of this situation.

USAID's role is to advocate within the U.S. government for democracy and stability. It is the unit within the U.S. government with the resources to take a long-term view. USAID could be a component in changing the NGO goal focus. Mr. Fawcett remarked that NGOs look to USAID, a donor, for guidance, rather than to people in the field. He asked the audience to consider what would happen if USAID required NGOs to conduct political evaluations that would take into account the political impact of aid in the countries in which they work. He suggested that some of these evaluations could be done quite quickly, for instance at interim program reviews. Mr. Fawcett suggested that there is time to develop these tools for the post-conflict situation in Afghanistan.

In closing, Mr. Fawcett asked whether or not NGOs would engage in political evaluations in the absence of donor requirements.

Shamil Idriss, Chief Operating Officer, Search for Common Ground

Mr. Idriss provided a brief overview of Search for Common Ground (SFCG). SFCG currently has twelve offices and 250 full-time staff around the world. SFCG's focus is to be a conflict transformation organization. Specifically this means changing the ways that conflicts are addressed, moving from adversarial approaches to collaborative, win-win approaches. SFCG works in the United States, as well as countries such as Angola, Burundi, Liberia, and Sierra Leone. SFCG programs are substantively very different in each country. He provided examples of SFCG programs including those in Sierra Leone, Liberia, and Burundi where SFCG has developed radio production studios, fully staffed with multi-ethnic teams.

According to Mr. Idriss, SFCG may look unfocused in terms of programs, but there is a consistency in the process and principles of engagement. SFCG views itself as a process organization. First, anywhere SFCG works, they commit to a long-term engagement. Second, they look for areas of common interest between groups. They focus their energy on the process of identifying stakeholders and engaging them in the process. Mr. Idriss stated that SFCG views conflict not as a stage, but as a constant in human relationships, reflecting how groups identify and deal with their differences. This definition is as relevant in the United States as it is in other countries around the world.

The role of civil society in peace building is a critical issue for SFCG, just as it is for many other NGOs. Mr. Idriss noted that in all SFCG programs the issues are identified by the stakeholders. SFCG tries to bring a new process to the situation. Civil society can play a role in modeling how groups can form around shared interests and address common problems. However, civil society groups sometimes reflect the same cultural or institutional barriers to cooperative problem solving that any other government or military organization can reflect.

Mr. Idriss put forth two main worldviews found in the natural sciences to frame the remainder of his presentation. The first, the “Newtonian view” of cause and effect sees the world as progressing along a more or less linear pathway. There are stages of conflict, stages of relief, and stages of development. A second way of looking at the world is the “chaos theory.” This view stresses the unpredictability of everything, but the interconnectedness of all things. From the outside things may look totally chaotic but internally there are patterns and relationships.

Mr. Idriss recognized a need to reconcile both views. He suggested that most organizations engaged in conflict zones have adopted (or have been forced to adopt by the donor structure) the cause and effect, linear worldview. The chaos theory, while adopted by some of the best practitioners in the field, does not fit well with the way in which aid is organized and funded.

Mr. Idriss noted that program and funding structures within organizations are often short-term oriented. Relationship building, on the other hand, is a long-term process. In many cases, facilitating communication between stakeholders on issues that have very little to do with the big issues, will develop relationships which in turn are important to solving the larger political problems. NGOs have a need to understand the political situation, including the relationships between people and groups. It is critical to leave the door open for the participation of all stakeholders. Mr. Idriss stressed the need to identify the stakeholders, determine their influence, and pay attention to the process of engaging them. This is a requirement for all organizations, whether they define themselves as development, relief, or conflict prevention organizations.

On the issue of funding, Mr. Idriss noted that he knows of no organization that can procure funding to engage in a situation, learn the complexities of it and then decide what should be done. Donors require concrete project plans up front. Mr. Idriss stated that this is only half of the puzzle. Organizations must also be held accountable for how they identify stakeholders, engage stakeholders, and work towards common needs and goals.

Mr. Idriss gave an example from SFCG’s program in Burundi. The popular radio programming deals with very sensitive political issues in a manner that a news program could not. Assessments have shown that there has been some attitude shift in the public. Donors find this attractive. Yet, the solidarity of the multi-ethnic, multi-cultural team in the radio studio is what Mr. Idriss found most heartening. Mr. Idriss expressed his belief

that the success of building that team was as important as the larger impact of the radio programming.

Mr. Idriss stressed the importance of viewing ourselves as part of a world that often seems chaotic, but is very interconnected. "The way in which we are willing to deal with differences and communicate in a mutually respectful manner with other communities is as important as how we deal with the specific attacks of terrorism," he concluded.

Rick Hill, Director, Office of Emergency and Transition Management, Cooperative Housing Foundation (CHF)

Mr. Hill opened his remarks by saying that "conflict prevention" is a difficult term. If lucky, an organization might be able to "manage" conflict. He stated that organizations are often constrained by unrealistic expectations of what they can accomplish in conflict situations.

Mr. Hill suggested that NGOs need to begin to identify the decision-makers of the societies in which they work, as well as determine the motives of those decision-makers. NGOs do not do a very good job of doing "power analyses" of societies. Ten to fifteen years ago, stakeholder analysis was an important part of development work. Mr. Hill stated that there is a need to revive the stakeholder analysis.

Mr. Hill remarked that more attention should be paid to how economic development fits into the mix. Conflicts are political, but they require economic support to continue. Economics have always been a driving element in how political decisions are made.

Finally, Mr. Hill noted the need to identify a model for reducing conflict. The current model is essentially a democratic model, which seeks to spread power broadly. When a large number of people have access to economic power, they have a stake in political stability. Mr. Hill challenged the audience to think about how to build realistic mechanisms for people to control their own lives, particularly their economic lives.

Mr. Hill provided an example from CHF work in Lebanon. The program there brings stakeholders together to dialog about community infrastructure needs, and in the long-term is part of a conflict reduction program. This approach usually proved effective, but in one village it did not work. Eventually, a local contractor was able to bring the stakeholders to the table. He was successful because his motives were economic, rather than political, and he was able to develop a level of trust that did not otherwise exist. Mr. Hill noted that this example provided a very real lesson for the aid community.

Questions and Answers/Audience Discussion

John Fawcett, panelist, stated that part of the solution is a more flexible response from donors. He suggested that donors take a flexible approach to funding, one that would allow NGOs to learn in a real-time manner, to identify real problems and issues before beginning projects. This has been done on a limited basis in the past. This is an excellent learning tool that needs to be reinforced and expanded.

ACVFA member **Ted Weihe** inquired about what diagnostic tools are available for use in predicting conflicts.

Rick Hill responded that he was not aware of any good diagnostic tools for predicting conflict situations. Such tools are difficult to develop because all conflict situations are different. However, Mr. Hill stated that it is relatively easy to identify people who have a stake in keeping a conflict going, and those who have a stake in stability. The people involved in the conflict situation often do not see the connection between communication, searching for common ground, and making their lives better.

Shamil Idriss stated that he did not know of any good diagnostic tools, but there are some early warning systems. SFCG relies heavily on local field staff as a tool to gauge what is going to happen and appropriate ways to react. SFCG uses the term “conflict transformation.” SFCG tries to get involved early in conflict situations, so they can take time to understand what is happening. SFCG also spends a great deal of time trying to identify the right stakeholders. SFCG’s approach is to get good people on the ground and then trust their guidance about the conflict situation.

Dayton Maxwell stated that the tools for conflict vulnerability assessment are still being developed. This is a high priority for USAID. There have been several conflict vulnerability assessments done in the past few years with varying effectiveness. USAID is trying to develop better tools to conduct assessments in a comprehensive manner. The most difficult issue is identifying the stakeholders in the conflict and their motives.

ACVFA member **Kathryn Wolford** pointed out that the development community needs to be very careful about language usage and making generalizations about Islamic groups. Second, Ms. Wolford stated that the transformation approach seems to recognize that conflict is inherent in the world in which we live. It also seems to be very context specific with an emphasis on methods rather than packaged programs. She inquired how the transformational approach addresses the underlying injustices that lead to conflicts.

Shamil Idriss commented that SFCG attempts to first identify the stakeholders and then try to identify the issues that they can work on together. Mr. Idriss does not believe that conflict prevention or conflict transformation fits very well into an organizational box. One of the difficulties of conflict transformation is that it necessitates engagement of all stakeholders, even some who may be involved in objectionable activities, such as oppression or human rights abuses. Often individuals and organizations will be criticized for this, but it is necessary to involve all stakeholders in order to be effective. One does not have to be morally neutral, but one does have to open doors to extremists or groups that may be personally objectionable.

A participant asked if USAID was grappling with the challenges of breaking down barriers with other government agencies in order to work together on conflict prevention, as well as responding to conflicts.

Mr. Maxwell responded that part of the current consultant effort involves looking at USAID's relationships to other agencies. Breaking down interagency barriers is a constant subject and a priority at USAID. The Agency is also looking internally at ways to break down the reluctance of some development professionals to get involved in the political arena. USAID is trying to use the lessons of the past to help succeed in the current situation in Afghanistan.

John McDonald from the Institute for Multi-Track Diplomacy remarked that everyone needs to improve on the art of listening.

Herschelle Sullivan Challenor, ACVFA member, commented that she often wonders about the level of prior knowledge and understanding that people have before they begin working in a society. Corporations regularly do risk analyses. She noted the need for more information and knowledge before entering a situation. Ms. Challenor also observed that there is often little cooperation between USAID, UN officials, other U.S. agencies, NGOs and local staff in country. She suggested that more information and better coordination would be important for locating potential conflict sites, and inquired to what extent USAID and NGOs listen to their local employees who have deep knowledge of the local culture.

John Fawcett remarked that it is true that aid agencies "parachute in" to situations all the time. There is a need to learn in real-time because the lessons learned are after the fact and hence not available. In order to know the impact of aid, one must rely on local knowledge and trust politically savvy local people. The expatriate staff can provide political cover for the local staffperson or locally hired expert.

Mr. Idriss commented that it is difficult to be effective without the benefit of local knowledge and a long-term commitment. Ideally, the first six months would be spent listening and learning, but that is not fundable. Mr. Idriss also remarked that even during project implementation, it is important for staff to be constantly listening to and engaging with the local people.

Mr. Hill stated that if aid organizations go into a situation with funds and make all the decisions, they are disabling the primary mechanisms that in the long run may reduce conflict. This process tends to choose mechanisms that fit the aid organization's agenda, rather than agendas designed by someone with both a stake in peace and a realistic plan for supporting stability. Other mechanisms that this often will not support are building capacities for management and ability to access and develop resources and locally developed models for inclusion. The process of democratization is not furthered unless there are many voices engaged in the decision making process.

Dena Fisher from Seeds of Peace posed a question about where conflict prevention stands on the Administration's policy agenda. In some years the executive branch seemed to place a priority on predicting and preventing conflicts, whereas in other cases its actions did little or nothing in this regard.

Mr. Maxwell remarked that although predicting is difficult, it is very important to try to anticipate where the world is headed and what can possibly be done about it. This is a high priority. For that reason it is critical that the window of planning be open to more substantial thinking about the issues so as to address them better and more strategically over the long term.

Charles MacCormack introduced the logistics of the four breakout groups during which meeting participants would have the opportunity to dialog further with the panelists. Mr. MacCormack reminded the participants that all discussion from this meeting would be included in the ACVFA report and would be discussed with Administrator Natsios.

Reports from Breakout Groups

Group 1

Topic: "Integrating Development and Relief"

Facilitators: Charles MacCormack and Dayton Maxwell

Rapporteur: Kathryn Wolford

The group members made the following recommendations to USAID:

- Look for a role to facilitate learning across sectors, linking practitioners and academics, governments, and NGOs. Think about creative ideas for using existing forums within USAID and the NGO community to facilitate this cross-sector learning.
- Adopt a policy of participatory evaluation in all of its programming. The process of participatory evaluation assists practitioners in learning what has worked in the past and could work in the future. This could be used as a conflict prevention tool as well as a learning experience.
- Encourage cross learning at the country level. Facilitate partnerships for program implementation, as well as for learning.
- Consider the possibility of using the simulation as a way to test the potential impact of different courses of action. Pay attention to how human beings fit into the simulation.
- In other countries, USAID should try to expand the kinds of groups with which it works. Working with a wider range of groups could be helpful in conflict prevention.

Recommendations aimed primarily at the PVO/NGO community:

- Develop a strategy to educate the Congress and PVO/NGO constituencies about development and the link to national and global security. In the post September 11 atmosphere the public and Congress are more receptive to hearing about global

issues. There is an opportunity to educate Congress about the impacts of earmarked funding and the emphasis on results orientation.

- InterAction could create a forum for dialog between its own members and political officials, particularly ambassadors, in order to raise questions about civil society and what is happening within the host country context.
- Strengthen the development education efforts of PVOs and NGOs. Help constituencies better understand the long-term issues of development.

Group 2

Topic: “Integrating Development and Relief”

Facilitators: Rick Hill and Melissa Brown

Rapporteur: Elise Smith

The group discussed terminology and the meaning of terms, such as “developmental relief” and “political.” The group noted that there is no common understanding of many development terms. Sometimes so much time is spent discussing terminology that the real issues do not get adequate attention.

Recommendations and Comments:

- USAID and PVOs should work together to develop diagnostic tools for evaluating reduction of conflict.
- The evaluation system for relief is very quantitative and does not evaluate what is happening on the ground, nor does it often evaluate important shifts in attitude that can contribute to reduced tensions. USAID and PVOs need new evaluation tools that get beyond numbers.
- Many PVOs are involved in economic development activities, but the private sector groups that are influential and knowledgeable in this arena are not involved. They need to be present at the table.
- There is a need to work with USDA to evaluate the impact of food aid on the local agricultural systems of recipient countries. Food aid can undermine the long-term development of local agricultural systems.
- PVOs must consider public attitudes and constituency building. PVOs must increase their development education activities in order to garner public support for their programs. And, more importantly, they must teach local organizations how to do this.
- The leadership of PVOs must help the field staff understand the complexities of the political situations in which they work. This means sensitivity to needs for training and time in the schedule of field staff for context analysis.

- There is a need for an assessment tool to evaluate the impact of development work, particularly as it relates to conflict prevention.

Group 3

Topic: “Managing Conflict Resolution and Peacebuilding”

Facilitators: John Fawcett and Ajit Joshi

Rapporteur: Jane Pratt

Ms. Pratt remarked that she was struck by the deep thoughtfulness of the comments of the group.

Questions identified by the group:

1. *What is the role of local civil society organizations?*
2. *What are the political dimensions of partnerships with local organizations?*
3. *Is the contract model a potential category of partnerships in conflict resolution?*
4. *Is “conflict” a sector or should USAID integrate it as a cross-cutting program?*
5. *How can PVOs and NGOs evolve from donor driven agendas?*
6. *Should/Do U.S. PVOs and NGOs have a role in conflict resolution?*
7. *What kind of role is realistic for PVOs and NGOs to have in conflict resolution?*

The role of local civil society organizations:

- There is a paradox: local partners can be helpful or they can compromise the neutrality of the organization.
- PVOs should focus on partnerships based on mutual interest, recognizing that interest agendas are inherently political.
- Many NGOs and PVOs are already doing political assessments, particularly if they work in conflict prone areas. Is any of this information being reported to USAID? What would USAID do with this information if it received such reports?
- Both USAID and the PVO community need clear guidelines internally on partnership relationships, beginning with the old adage “do no harm.”
- Process interventions can help. There is a lot of potential in participatory approaches to identifying needs of people. USAID could focus on identifying needs and sharing learning about participatory approaches.
- There are few good models about how to do advocacy, especially in another country. There is a need to learn more about advocacy and how to drive it better, particularly with respect to civil society.

- There is an opportunity for projects to build economic foundations among adversaries that could lay the groundwork for greater equity and reduction of tension over the long-term. (This raised further questions about the time frame of USAID projects.)
- Despite the many successes of conflict resolution programs, they are often the most difficult to fund. How can one demonstrate and measure impact when success is the problem that did not happen?
- Partnerships involve government, civil society and the private sector (which is conspicuous by its absence).

USAID/U.S. Government:

- There is a need to examine how information fed into USAID can be shared in the political decision-making processes of Congress and other agencies.
- Long-term success will require USAID to rethink the short-term results focus. Impacts in this area are by definition long-term.
- NGOs need more flexibility and more capacity to make politically informed adaptations in their programs.
- Much of USAID work is constrained by congressional understanding or lack thereof. USAID will be constrained additionally by the challenge of balancing a new relationship with the State Department, and the tensions between development agendas and political agendas.

Expectations of the PVO community:

- There is a need for greater continuity and strategic planning on the part of USAID.
- There is a need for more vigorous advocacy of strategic goals with Congress, from both USAID and the PVO community.
- There is a need for a shared understanding of how to measure impacts and facilitate sharing of this knowledge.

Group 4

Topic: "Managing Conflict Resolution and Peacebuilding"

Facilitators: Shamil Idriss and Gregory Gottlieb

Rapporteur: Hershel Le Sullivan Challenor

Ms. Challenor remarked that the group was very diverse and thoughtful. The conversations involved observations, concerns and recommendations.

The experience of NGOs in managing conflict resolution and peacebuilding activities:

- There are many pitfalls in managing conflict. The first involves being overly optimistic and unrealistic in what can be accomplished. One cannot expect to resolve conflicts in a short time. There is a need for realistic expectations and long-term engagement.
- There is a need to be clearer semantically. The consensus of the group was to talk about conflict transformation and not focus on other terms that may raise unrealistic expectations.
- There is a need for good assessment tools and clearly stated expected outcomes for conflict transformation. Practitioners need to be able to assess when they “have done it.”
- Projects are funded at the micro level, but the overall problem may be at the regional level. Success or failure of the project may be determined by the regional happenings. Specific reference was made to Burundi and the conflict in the Democratic Republic of the Congo.
- There is a need to admit that there are some situations that can not be influenced or changed by interventions.
- Many times PVOs working in the field have made small interventions that are effective, but are not really related to the overall project. Participants made a plea for greater flexibility in how projects are planned and implemented. For example, a health project could also be viewed as a democracy project if it brought about more equal access to health care services.
- There was a concern about the need to develop local institutional capacity. People on the ground often have a good understanding of how to resolve conflicts. Building the capacity of local groups could be an effective tool for peacebuilding.
- Successes and the lessons learned need to be published. The Africa Bureau has a website that includes conflict resolution issues. In addition to asking for success stories from the field, NGOs could also ask for stories about things not done so well and what was learned in the process.

What NGOs need from USAID:

- Flexibility in management was identified as a key issue. It is important to have an ongoing dialog between USAID and its NGO partners.
- There is a critical need to address the root causes of conflict, particularly the relationships between the “haves” and the “have-nots.” An example was cited about criminals providing role models for young people in poor communities.

- There was an awareness of a tension between NGOs and USAID. NGOs are torn between the needs of their clientele or local partners and the requirements of USAID. An ongoing dialog would be helpful in resolving this issue.
- Managing for results requirements put pressure on USAID to produce results in the short-term. The impact of congressional mandates and executive orders on agencies and programs is substantial.
- There is a need to make changes in USAID's procurement requirements.
- In-country coordination of different types of interventions in complex situations is essential, including military, diplomatic, development and economic interventions. An example of a country where this approach worked very well was Sierra Leone.
- There is a need to be less rigid about definitions and more flexible about programs. USAID and NGOs should recognize that groups not normally thought of as fostering democracy, such as mothers' groups and community clubs, often have great legitimacy and are effective in the process of democratization.

Views of NGOs toward conflict resolution and peacebuilding:

- Look at the roles of PVOs and NGOs and be mindful of the different roles they can play.
- Be mindful that conflicts are rarely resolved and they tend to be cyclical. Often small local interventions that respond to the needs of the people on the ground are most effective in reducing tension.
- There should be one office at USAID responsible for conflict resolution so that the issue has an institutional home. On the other hand, USAID's approach to conflict transformation should be to work it into all stages and sectors of aid – development, rule of law, etc. Conflict transformation should not be compartmentalized within an organization.
- Take into account the roles of women and business, and the important contributions they can make in conflict resolution.
- Greater listening and more participatory approaches are needed in conflict prevention programs. Specific reference was made to women in Nigeria.
- There is a need to have better clarity with respect to definition. Better understanding of evaluation factors, more flexibility, and a long-term focus are important.
- More money will be required to carry out these programs effectively.

- Overall, the group felt that there was not enough time to address all of the questions, but there is a need to continue this dialog.

Mr. MacCormack thanked the rapporteurs for their reports. He commented that he was struck by the number of comments that pertained to the entire field of development and relief, rather than being narrowly focused on conflict. He suggested that this says something about the boundaries of these issues, that they involve all the questions of modernization and development.

Mr. MacCormack also noted that he heard more comments in this meeting than in any previous meeting about what PVOs themselves should be doing, the roles they should be playing in development education, constituency building, congressional relations, communications, and institutional learning. This is a sign of the growing strength of the PVO community.

The discussions also emphasized the importance of breaking down barriers, cross-disciplinary work, and opening dialogs. Mr. MacCormack remarked that the PVOs and USAID are going to have to get better at making these linkages.

Mr. MacCormack thanked the morning panelists, the breakout group facilitators, the rapporteurs, and the audience for their participation and insightful comments. He invited the meeting participants to break for lunch and reconvene in the afternoon for a panel discussion about USAID's new way of doing business.

Panel : "USAID's New Way of Doing Business"

Moderator: Peggy Curlin, ACVFA Vice Chair and President, CEDPA

Ms. Curlin welcomed the meeting participants. She stated that in the interest of time there would not be a break between the two afternoon panels. Ms. Curlin remarked that the participants were in for a real treat in hearing more about their favorite subject--procurement. Ms. Curlin introduced the first panelist, Mark Ward, Director of USAID's Office of Procurement. She stated that Mr. Ward can not be accused of not knowing what is going on in the field. He has worked on the ground in many countries over the years.

Topic: Procurement Reforms

Mark Ward, Director, Office of Procurement, USAID

Mr. Ward remarked that he spoke at the ACVFA meeting approximately a year ago when he had been on the job for only a few hours. Last year, Mr. Ward told the group that it did not make sense for him to state his priorities for procurement because he did not know the new administrator or his priorities. Now, he knows Administrator Natsios and knows that he clearly does care about procurement. Mr. Ward and Administrator Natsios have a very open relationship and share views about what is wrong with procurement and what needs to be done to fix it. In July, Administrator Natsios endorsed a set of

procurement reforms that Mr. Ward proposed. Mr. Ward highlighted some of those reforms.

The first reform, and probably the most controversial, was to move staff from the Office of Procurement (OP) to client offices. This is termed “co-locating.” This will be tried first in the Office of Foreign Disaster Assistance (OFDA) and the Office of Transition Initiatives (OTI). The second branch that will co-locate from the OP is the branch that works with Population, Health, and Nutrition (PHN) in the new Global Health Bureau. Mr. Ward remarked that this is a controversial step. OP personnel feel they may be susceptible to being asked to do some things contrary to procurement rules if they are not sitting in the Office of Procurement. Mr. Ward’s experience overseas taught him that it is possible to build teams of all the people that contribute to a result. When problems are still small, the teams can share information and get problems solved quickly. Mr. Ward believes that this reform will enhance communication, improve procurement planning, and improve problem solving.

Mr. Ward’s second goal in presenting this reform to Administrator Natsios was that co-locating procurement staff in the bureau offices should encourage more recognition and acceptance of what OP does for the agency. According to Mr. Ward, procurement personnel are rarely thanked for their work. Mr. Ward remarked that if USAID is serious about retaining its contracting staff, it is time for the OP staff to share in the thanks and appreciation received by other USAID staff. USAID is currently down more than twenty positions in OP. One of the reasons that staff leave is the lack of appreciation for their hard work. Co-location will put procurement personnel in the offices that do get the appreciation and the thanks. This will help OP personnel understand their role in development around the world and receive recognition for their contributions.

Mr. Ward stated that there are seven procurement reforms and he would not be able to cover all of them during this presentation. He referred the audience to the handout on the table in the hallway that details the reforms.

There have always been, according to Mr. Ward, many complaints from the PVO community about the lack of consistency in application of various provisions in grants and cooperative agreements. Mr. Ward and his colleagues believe that a big part of the solution to this problem is training for the Cognizant Technical Officers (CTOs). It is important to fight inconsistency and spread consistency. Mr. Ward stated that USAID needs to train its bright, new employees around the world, most of whom are Foreign Service Nationals.

Mr. Ward believes that USAID needs to put more money into the CTO training program to train a large number of people very quickly. Administrator Natsios agreed to budget a million dollars per year for the next three years to train fifteen hundred people in all four courses. The four courses include the following: the overview of Acquisition and Assistance (A&A), the pre-award class, the contract administration class, and the grant administration class. Mr. Ward reminded the participants that these classes are open to NGOs through InterAction, and to the for-profit community through the Professional

Services Council. Mr. Ward encouraged any interested individuals or organizations to take advantage of this training activity. It is helpful for the class to discuss the real situations that other organizations are dealing with in the field. It should also be helpful for PVOs and NGOs to hear what USAID is teaching the CTOs in these training courses.

USAID is moving ahead with a plan to begin recruiting some procurement staff from pools of people who have never done procurement before, including interns. This will require more in-house training and mentoring. Mr. Ward remarked that it is becoming increasingly difficult to recruit contract officers from other government agencies. This is common practice, but USAID is not competitive anymore. The Department of Defense is planning to hire 65,000 contract officers over the next ten years. It is time for USAID to start recruiting new OP employees from business schools and other graduate schools, and train them on the job.

For the first time ever, large USAID contracts developed in the field will be reviewed, pre-award, in Washington, DC. Mr. Ward noted that it was difficult to sell this reform to Administrator Natsios because it goes against his desire not to encroach on the authority of the missions. However, Mr. Ward convinced Administrator Natsios that consistency is an issue, not just with assistance, but with acquisition as well. USAID set up a contract review board. Contract officers are rotated through the board to review contracts before they are awarded. The value in this system is that contract officers will get a chance to see what others have done and develop best practices. Only contracts of more than \$10 million will go through this process. This system is already in place for contracts awarded in Washington, DC.

USAID is very interested in streamlining the acquisition and assistance process. USAID is planning to have a government expert from outside of USAID examine the system and make recommendations for streamlining it. USAID has often heard from PVOs that the contracting process is quicker in other government agencies. Mr. Ward expressed hope that the outside expert will be able to identify a few steps that USAID can eliminate from its procurement process.

Lastly, Mr. Ward referred to the Acquisition and Assistance Advisory Panel (AAAP). The panel, which was formerly chaired by Ken Schofield of USAID's Bureau for Policy and Program Coordination, is a group made up of representatives from all over USAID. It serves as a sounding board for new ideas for procurement. The current chair of the AAAP is Acting Deputy Administrator Janet Ballantyne. The level of attendance and the make-up of committee are very good. Mr. Ward's office is looking at ways to use the AAAP to formally liaise with the grantee and contractor communities. Most likely, by the end of this year there will be a subset of the AAAP that will meet with representatives from the grantee and the for-profit communities every other month to address procurement issues.

Mr. Ward inquired whether or not anyone had spoken to this group about USAID's cost-share policy. Ms. Curlin responded that it had not been done recently.

Mr. Ward remarked that USAID has a new draft cost-share policy. The new policy abandons the notion of any kind of percentage target for cost sharing, even as guidance. Cost share proposals will be reviewed on a case by case basis. In the past USAID found that if a number was given as guidance, USAID staff felt obligated to use that number. For that reason, there are no numbers in the draft cost-share policy. Mr. Ward asked Adele Liskov of the Office of Private Voluntary Cooperation, who was involved in drafting the new policy, about the procedure for input from other organizations. Ms. Liskov responded that Administrator Natsios had included this issue in a letter to InterAction and requested comments. To date, USAID has received a lot feedback through InterAction. Others with comments may contact Adele Liskov at aliskov@usaid.gov or Kitty O'Hara at kohara@usaid.gov.

Questions and Answers:

Ms. Curlin opened the floor to questions.

Charles MacCormack, ACVFA member, asked what level of staff should PVOs consider for participation in the training for Cognizant Technical Officers.

Mr. Ward responded that, ideally, field staff would participate. The team that USAID most wants to build is the one in the field. The overseas courses were stopped after September 11, but when they resume USAID will publish a list of upcoming training. Mr. Ward suggested sending this list to the chiefs of party and encouraging them to send a representative to the training. Although each course is a full week, participation for the entire training session is not required for non-USAID personnel.

Ted Weihe, ACVFA member, remarked that sometimes inconsistencies and redundancies get embedded in the policies of organizations. Organizations sometimes find themselves constrained by regulations that are not in current USAID policy. Mr. Weihe asked if USAID could provide models for NGOs or for-profit groups that delineate what is adequate for accountability to USAID.

Mr. Ward said that this sounded like the kind of issue that the CTO training would cover because it gets to the heart of the consistency issue. It also is an issue that could be brought up with the AAAP. In principle, USAID could provide such models, but it will require some work to pull the models together and then disseminate them. There are missions all over the world that would love to see more models. Mr. Ward stated that the Office of Procurement has been working for some time on putting together a model negotiation memo for contracts. It is a great learning tool. Mr. Ward encouraged Mr. Weihe to bring this issue before the AAAP.

Mr. Weihe then asked Mr. Ward to discuss the status of the Indefinite Quantity Contract (IQC) assessment.

Mr. Ward stated that last June USAID convened a group of IQC contractors and subcontractors, as well as USAID staff. An interesting discussion ensued. At that meeting, USAID introduced David Rhoad who would be doing a follow-up study with

the people at the meeting and making recommendations on how USAID could use IQCs better. Mr. Ward remarked that the draft document should be available for comments very soon. The final report is due in a month.

Ms. Curlin thanked Mr. Ward for his presentation and comments. Ms. Curlin then introduced Holly Wise who has twenty-two years of experience with USAID. Ms. Wise has also worked in many countries around the globe. Ms. Curlin stated that Ms. Wise would be talking about the Global Development Alliance (GDA), a program still in the making.

Topic: The Global Development Alliance (GDA)
Holly Wise, GDA Secretariat Director, USAID

Ms. Wise remarked that Mr. Ward and his staff have been interested, helpful and committed to supporting the GDA as the Agency's new business model and mainstreaming doing business differently. Much has happened since the first announcement of the GDA in a statement by Secretary of State Colin Powell on May 10.

The GDA staff have been busy over the summer. A small secretariat of ten people, including contract support has been set up. The secretariat includes five USAID direct hire staff and five on a technical assistance team from Management Systems International (MSI). Ms. Wise recognized Karen Mulhauser, MSI's Chief of Party, who is known to many in the development community for her good work. Mary Liakos, who assisted on the Power Point presentation, is also on the team. Larry Cooley, a principal of MSI, is also devoting a lot of time to this effort.

The GDA office has put together a great deal of informational materials on a website (www.usaid.gov/gda/). Ms. Wise stated that the GDA Secretariat would like to receive feedback on these materials. Ms. Wise encouraged participants to visit the website often because it is expected to be an active site for interchange and sharing of ideas. The website contains an overview of the GDA, frequently asked questions, and a page that solicits new ideas for alliances. Also posted on the website are preliminary guidelines for alliances. In addition, there is a page entitled, "Circling the Globe," which describes some current partnership activities. This is helpful as a base in distilling past experiences and looking forward to new alliances.

The GDA Secretariat has looked at current alliances to try to understand common themes and lessons learned. Ms. Wise stated this review piece would be available on the website in the near future. To date, the GDA Secretariat has received over fifty alliance ideas from internal and external groups. The Secretariat has put together draft criteria for screening alliances. The criteria provide a way to collectively decide how to allocate resources, either technical assistance or funding. The document is still in draft form. Views from the development community are very welcome.

The GDA Secretariat has made over one hundred presentations, both external and internal, to groups and individuals about the concept. They have been seeking feedback from all sources. Ms. Wise stated that the GDA Office has also been working with OP

and the Office of the General Counsel, and in a preliminary way with the Office of Human Resources. There are some possibilities for flexibility within current procurement regulations and current policy guidelines. These should be maximized. The GDA Secretariat has taken the approach of trying to assemble a body of case law as a resource, both internally and externally. Many of the reforms undertaken by the Office of Procurement will be helpful to the GDA. Ms. Wise mentioned a few policy issues, including conflict of interest, sunshine law, and solicitation of private funding. The GDA Secretariat will create a platform for sharing this information and precedents.

Attached to the one-page GDA overview, are three alliance ideas. The Global Alliance to Improve Nutrition (GAIN) is already partially established. The other two alliance ideas are under discussion, but have not yet been funded. The Information and Communication Technology Alliance draws on work that the Leland Initiative funded. A Certified Timber Alliance is not in a form that has been realized yet.

Ms. Wise then introduced a Power Point presentation about the GDA. The Global Development Alliance is an overarching approach to the work of USAID.

The Four Pillars of USAID:

1. *The Global Development Alliance*
2. *Economic Growth, Agriculture, and Trade*
3. *Global Health*
4. *Democracy, Conflict, and Humanitarian Assistance*

Why was the Global Development Alliance formed?

1. *Respond to a changing global environment.* It is a different world and USAID needs to have different development strategies. As globalization proceeds, businesses can no longer ignore social responsibility issues. Civil society has an expanded role and global reach. Government does not have the resources to meet the challenges alone. Direct foreign investment in development has increased significantly. Within U.S. foundations, international giving has increased dramatically, especially with new-wealth foundations.
2. *Increase USAID's reach and effectiveness in meeting development objectives.* By leveraging new resources, new ideas, new technology, new partners, and new ways to work with existing partners, USAID will be able to forge the kinds of strategic alliances that are needed in the 21st Century.
3. *Improve the quality of existing partnerships.* Many existing partners feel that USAID unilaterally sets the agenda and decides on the rules. GDA can be a tool to change some of the ways in which USAID works with its partners.

4. *Foster cooperation between USAID and new partners using market principles.* There is logic in the market place and there are common interests that can be capitalized on for development.

The GDA is USAID's business model for the 21st Century. It is a commitment to change the way USAID implements its development assistance mandate. GDA plans to serve as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporations, private voluntary organizations, non-governmental organizations, universities, and others in support of shared objectives.

GDA will do this in three ways:

1. *Improving the extent and quality of partnerships*
2. *Leveraging private financing of development assistance*
3. *Enhancing policy reform through advocacy*

Ms. Wise remarked that in the existing paradigm Congress gives USAID the money and USAID sets the agenda then parcels out contracts and grants to PVOs, consulting firms, universities, and others. A new way of thinking is to define the development problem in a more collective way, bring together a broader set of actors, jointly set the agenda, and work out what each party can contribute. While this is easy to say, it is more difficult to implement.

GDA is not entirely new. USAID has been involved in alliance type activities in the past. USAID seeks to build upon those experiences with the GDA. Ms. Wise commented that not all USAID work is "alliance-able." Alliances will be formed where appropriate.

Alliances will be managed by the appropriate operating units within USAID. For instance, if there is an alliance on tree crops, it will be run by staff who know about tree crops. If there is a nutrition alliance, it will be run out of the Global Health Bureau in coordination with field missions that have relevant roles.

USAID requested \$160 million from Congress (\$110 million in the Development Assistance account, \$25 million in the Child Survival and Disease account, and \$25 million in the International Disaster Assistance account). This funding will give USAID the flexibility and the incentives to form a few big alliances and some smaller ones. These alliances will have a development impact, but they will also have a demonstration effect. They will be helpful to mainstream this approach.

The goal of the GDA is to increase development impact through strategic alliances. The sub-goal is to increase the number and scope of partners and alliances delivering new resources, technologies, and approaches.

GDA Incentives for forming all iances with NGOs:

- Implementation ability and infrastructure
- Development expertise
- Community linkages
- Strategic design input
- Partnering expertise
- Constituency building
- Fora for message delivery

Incentives for NGOs to form all iances with USAID:

- Strategic design
- Access to governments
- Field presence/knowledge
- Convening power
- Funding

Ms. Wise introduced a draft GDA document that will serve as an initial screening tool for forming alliances. There are three phases to the selection process. Again, Ms. Wise welcomed feedback from participants.

Phase 1: Review the eight threshold characteristics of strategic all iances:

1. *Synergy – Will the partners have more strength when combined than they would have independently?*
2. *Well-Defined Objectives—Are the objectives well-defined and will they serve the goals of each partner?*
3. *Ethical Standards – Are the potential partners compliant with USAID legislative strictures? Do they subscribe to generally acceptable ethical standards? Do they demonstrate responsible corporate citizenship or organizational practices?*
4. *High Priority Area*
5. *Measurable Results*
6. *Champions for the Alliance Idea*
7. *Significant Value Added*

Phase 2: Assess the all ocaion of GDA resources:

1. *Leading practices*
2. *New techniques*
3. *Speed*
4. *Sectoral balance*
5. *Geographic balance*

6. *Partner balance*
7. *Track record*
8. *Comparative advantage*
9. *New partners*
10. *Demonstration effect*

Phase 3: Evaluate Potential Alliances:

1. *Conduct a Preliminary Analysis*
2. *Undertake an analysis of costs and benefits*
3. *Perform due diligence*
4. *Detail legal and planning issues*
5. *Implementation and monitoring and evaluation plan*

Ms. Wise stated that this information would be on the website. She again invited comments and suggestions from all sources.

Questions and Answers

Ms. Curlin thanked **Ms. Wise** and opened the floor for questions.

ACVFA Member Bill Valenti inquired about the incentives for the corporate sector.

Ms. Wise described the incentives for corporations to become involved with USAID in alliances. USAID is forward deployed. USAID has a lot of technical depth in certain sectors and has relationships with a broad range of NGOs. In addition, USAID can bring a small amount of financial resources to the partnership. However, USAID is not the Department of Commerce. It is not USAID's role to represent the corporate sector abroad. USAID will focus on the development issues of common interest with the corporate sector, not the business activity of the corporation.

Jane Pratt, ACVFA member, expressed her excitement about GDA and her pleasure that it has been raised to the level of one of the four pillars of USAID. Ms. Pratt remarked that organizations do not make alliances, people within the organizations make them. Something USAID and people in the development donor community can contribute is knowledge and expertise. Ms. Pratt asked what are the specific incentives for USAID staff to participate in these networks and share the knowledge and information that they have? Referring to the earlier presentation of Mr. Ward, Ms. Pratt stated that USAID staff must see the value in participating in GDA and be valued for doing it. Ms. Pratt posed a second question about the average size of the alliances. She pointed out that while PVOs may spend a lot of time in the process of developing an alliance, corporate partners may not spend that time for cost/benefit reasons.

On the topic of incentives, **Ms. Wise** remarked that responses from USAID staff have varied widely. Some are not very interested in GDA, while others think it is a wonderful idea and are excited about participating in it. Some mission directors have expressed

thanks for the GDA because it gives them an opportunity to carry out certain activities that they feel they need to do. There is an awareness in USAID that incentives are needed.

Concerning the transaction costs or the size of the deal, **Ms. Wise** responded that it will vary widely. The Global Alliance for Vaccines and Immunization (GAVI) is one example where there is excellent leveraging. USAID put in \$49 million and the Gates Foundation contributed \$750 million. Other donors brought the total to over a billion dollars. The Gates Foundation was interested in USAID's ability to be on the ground, operational, and focused on both technical and logistical issues. They wanted USAID to be at the table with some cash, but did not expect USAID to be a majority shareholder. It is a complex alliance with many committees and subcommittees. Forming the alliance was a long and difficult process. As another example, in the Global Alliance for Improving Nutrition, USAID is contributing \$4 million. The potential for pay-off with new partners is thought to be worth the time and investment.

Mr. Ward commented that the challenge for the Office of Procurement is to determine what to do with all the rules that go along with the money. In the case of GAVI, USAID had to ask whether \$750 million was enough to sign deviations and not attach those rules to USAID funds. In that case it was enough. There were many safeguards in place, but some tough decisions had to be made. Mr. Ward is hoping that through GDA, the Agency can get used to being flexible about the rules.

Ms. Wise remarked that Congress has a lot of questions about control and governance--legitimate, but tough questions. Some of their concerns impede USAID's ability to be as creative as it might like to be. As a government agency, USAID cannot step away from its responsibility for spending taxpayer resources wisely, but there may be more flexibility than has been exercised to date. The Office of Procurement is working with the GDA on this issue.

A participant asked if the Power Point presentation could be made available on the website. **Ms. Wise** responded that it would be posted on the website.

Ms. Curlin reminded meeting participants to complete the evaluation form in their packets. After a brief break, Ms. Curlin introduced the panelists for the next session.

Panel : "USAID's Response to HIV/AIDS: Lessons Learned and Future Initiatives"

Topic: "Overview of Current Issues"

Duff Gillespie, Deputy Assistant Administrator, Global Health Bureau

Dr. Gillespie introduced his presentation as a follow up to the last ACVFA meeting. He provided a broad overview of the HIV/AIDS program, as well as information about the U.S. government's response.

Four Program Elements of the HIV/AIDS Program at USAID:

1. *Prevention*
2. *Caring for children affected by HIV/AIDS*
3. *Home and community based care and treatment*
4. *Capacity and Infrastructure Development*

USAID's primary focus is on prevention. Dr. Gillespie stated that this approach has been both applauded and criticized. However, prevention is not USAID's only approach. Under home and community based care and treatment USAID is starting a number of introductory projects for anti-retrovirals (ARVs). USAID looks at HIV/AIDS on a continuum of prevention and treatment. USAID hopes to establish a capacity within countries to utilize the next generation of ARVs effectively.

Dr. Gillespie showed a slide demonstrating the amount of funding for HIV/AIDS and infectious diseases. There has been a tremendous growth in funding since 1993, but in order to have a real impact there needs to be still more funding. Dr. Gillespie remarked that his office feels very strongly that if USAID can show a return of investment on the current funds, additional support will come from Congress and other governments throughout the world. No one can predict how the events of September 11 will change decisions about the allocation of resources. Dr. Gillespie expressed hope that a strategic orientation can be maintained, successes can be demonstrated, and more funds can be leveraged.

Another slide portrayed U.S. government resources for HIV/AIDS. The level of funding remained relatively low and flat for many years in the late 1980's early 1990's. In the last three years, the U.S. government has taken a leadership role in increasing funds. Although the numbers are not great, it does represent an increase in funds and in the involvement of other organizations. Within USAID, the bulk of the funds for HIV/AIDS (52%) go to the Africa Bureau. A significant amount of Global Bureau funds go to Africa also.

Dr. Gillespie remarked on USAID's strategic approach to HIV/AIDS. The program has four "rapid scale-up" countries and sixteen at the next level of involvement, "intensive focus." There are programs in many other countries. Roughly 44% of USAID funds go to twenty countries. Administrator Natsios has asked the Agency to examine this approach and determine whether or not this is the optimal way to allocate resources. He wants to examine two issues: measuring global impact and rapid disbursement of funds. For example, one of the countries that will be looked at is South Africa. Has the policy of the government of South Africa changed enough that would warrant putting it in the "rapid scale-up" group? Dr. Gillespie remarked that USAID strategies are not static. They are responding to situations in the field and windows of opportunity.

Dr. Gillespie showed a few slides highlighting the differences between House and Senate appropriation bills relating to HIV/AIDS. The final funding level is not known, but Dr. Gillespie felt it would be at least \$415 million, the lower of the figures.

The GLIDER Act (*Frist Bill*) does not mention USAID, only the Department of State, which is targeted to receive \$460 million to fight HIV/AIDS. The GAHPAET Act (*Hyde/Lee Bill*) is more generous, providing \$560 million in bilateral assistance. Dr. Gillespie provided examples of these bills to demonstrate the interest and the strength of the HIV/AIDS issue on Capitol Hill.

In reference to changes in the U.S. government response to HIV/AIDS, Dr. Gillespie spoke of the Powell/Thompson Cabinet Working Group formed by President Bush. The group has had two working meetings on HIV/AIDS. Since Sept 11 they have had more immediate issues, but the fact that the President formed this group is a very important event. It is an interagency working group and all agencies that have even a marginal association with the international HIV/AIDS pandemic attend.

The Office of International Health in the Department of State was established by the Bush administration. This office will have a broad mandate for health. It will not include population, but all other aspects of reproductive health will be included under this office. Dr. Gillespie stated that, clearly, HIV/AIDS is the number one priority. This is the lead unit for the U.S. government working with the Global Fund for HIV/AIDS, TB, and Malaria. The position of Deputy Assistant Secretary for International Health Policy and Science was established in the Department of State. Dr. Gillespie remarked that a very qualified person, Dr. Jack Chow, heads up this effort. In terms of the visibility and policy implications this is a very important appointment.

As part of the reorganization, USAID created an office of HIV/AIDS situated in the Bureau for Global Health. While staffing patterns have not yet been decided, Dr. Gillespie noted that it is a sign of the importance of the HIV/AIDS issue within USAID.

Topic: "USAID Progress and Plans in Monitoring, Evaluating, and Reporting on HIV/AIDS"

Harriet Destler, Social Scientist, HIV/AIDS Division, Global Health Bureau

The aim of Ms. Destler's presentation was to highlight some of the results that USAID has achieved in the HIV/AIDS arena, in cooperation with its partners.

At the project level there is evidence of sustained behavior change to reduce the risk of HIV/AIDS, resulting in decreased HIV and sexually transmitted disease (STD) prevalence. Ms. Destler visited three of the "rapid scale-up" countries in the last several months to look at the results.

Ms. Destler showed four slides presenting some of the specific data about reduction in HIV/AIDS rates. The first slide showed trends in HIV prevalence in selected populations in Uganda, Senegal, and Thailand. The most dramatic drop in HIV rate was found in Kampala among young people. USAID support was instrumental in reducing the prevalence of HIV in 15-24 year olds in urban areas by 50% and nationally by one-third. This is very important because it is among young people that the rate of new infections is

often highest. In Thailand, HIV levels were kept down by introducing 100% condom use in brothels. In Senegal, a combination of strong public leadership and aggressive policy in dealing with risky behavior kept the rate down. There is some initial evidence of change in Cambodia, which adopted the Thai approach of reaching high-risk populations.

Many people credit the successes in Thailand, Uganda, and Senegal with the fact that the national leadership spoke out against HIV/AIDS. USAID has not seen the same leadership involvement in Zambia, and yet rates have also gone down in Zambia.

Ms. Destler presented a list of shared goals representing USAID joining with the larger, international community. These are very ambitious goals that will require tremendous resources. An article in the June issue of *Science* magazine estimated that to have a significant impact in low and middle income countries the effort would require \$2.2 billion in 2001 and \$9.2 billion in 2005.

Shared Goals:

- Reduce HIV prevalence rates among those 15 to 24 years of age by 50% in high prevalence countries.
- Maintain prevalence rates below 1% among 15 to 49 year-olds in low prevalence countries.
- Ensure that at least 24% of HIV/AIDS infected mothers in high prevalence countries have access to interventions to reduce HIV transmission to their infants.
- Provide community support services to at least 25% of children affected by AIDS in high prevalence countries.

USAID is working with other organizations to develop consistent approaches to measurement. At the national level, USAID seeks to have annual sentinel surveillance reporting by 2007. The standard will be zero prevalence among fifteen to nineteen year-olds. USAID is also working to measure changes in sexual behavior. There is a standard methodology for behavioral sexual surveys that is supported by UN agencies and other organizations. Missions are required to report annually on program progress and increases in coverage. USAID is also in the process of establishing a database system in Washington, DC, to aggregate and report that data.

Ms. Destler remarked that there are tremendous challenges in how to measure and track results, as well as determine affordable approaches. USAID established a series of working groups to look at these issues.

New Program Areas to Track:

- *Care and Support*
- *Mother to Child Transmission*
- *Children Affected by HIV/AIDS*

- *Program Coverage*
- *Multi-Sectoral*
- *Human/Institutional Capacity*

USAID Program Challenges:

- *Maintaining an emphasis on prevention.*
- *Identifying sound cost effective approaches to maternal and child transmission, care and support for infected persons, and children affected by AIDS.*
- *Scaling up human and organizational resources, maintaining quality and reaching significant populations.*

Topic: "CORE Initiative"

Warren "Buck" Buckingham, Senior Technical Advisor, Africa Bureau

Mr. Buckingham introduced the Communities Responding to the HIV/AIDS Epidemic (CORE) initiative. He noted that it was formerly known as "Faith." CORE is USAID's effort to expand its work at the community level.

Mr. Buckingham provided some background on the initiative. USAID has long worked with community and faith-based organizations (C/FBOs), but not in a consistent manner. USAID country missions have very effectively worked with FBOs for a long time. In an informal survey in Africa last year, PHN officers reported that 10% of their HIV/AIDS funding was being programmed through FBOs. On World AIDS Day 2000, a religious leaders' summit that focused exclusively on HIV/AIDS was convened at the White House. That meeting gave USAID's work in this area significant momentum.

Mr. Buckingham outlined the unique characteristics of C/FBOs that make their participation essential as USAID seeks to expand its capacity to respond to the HIV/AIDS pandemic:

1. *Geographic reach and staying power; life-long presence*
2. *Their own resources*
3. *Well-developed infrastructure*
4. *Influential leadership*
5. *Emphasis on personal and community health and well-being*
6. *Volunteer and skilled professionals*
7. *Capacity to respond across the continuum of prevention, care, and support*
8. *Proven effectiveness*

One of the challenges of the program is maintaining a separation between church and state in the international arena. USAID is including safeguards to ensure that its resources are not used for proselytizing at the community level.

Mr. Buckingham remarked that USAID has done significant outreach over the past year. The Agency consistently found that C/FBOs, as well as more secular organizations, are anxious to be a part of this expanded response that has a focus on the community.

Broad Objectives for CORE:

- To establish diverse and directed partnerships for enhanced community and faith based responses, emphasizing care and support and reduction of stigma.
- To raise awareness of the HIV/AIDS pandemic among U.S. and foreign C/FBOs, and the role they must play in response to it.
- To support USAID Missions/U.S. Government partners in expanding their work with C/FBOs.
- To nurture innovative, effective, and accountable responses that expand capacity.

Current Activities of CORE:

1. Support of partnerships with the All African Conference of Churches (AACC), the Organization of African Instituted Churches (OAIC), and a consortium of Islamic groups.
2. Small Empowerment Grants. These are micro-grants of \$5,000 or less. In less than six weeks USAID received 242 proposals from 43 countries. Two-thirds of the awards proposed were for FBOs, and one-third for secular, community-based groups. There will be a second round of small grants later this year.
3. Demonstration Projects. USAID is putting together a small portfolio of demonstration projects. A couple of them are already operational. One is with the Church of the Province of Southern Africa. Another is with the OAIC.
4. Islamic Leaders Conference. USAID initiated this project with the Islamic Medical Association of Uganda. USAID provided a small amount of funding for 50 people from across Africa to participate in this conference. Currently more than 100 people are registered for the meeting, so USAID money has already leveraged 100% increase in participation. This is the first global meeting of Islamic leaders to focus exclusively on HIV/AIDS.
5. Information Resource Center. The project website is www.coreinitiative.org.
6. Women in C/FBOs Project. This effort involves a network of African women theologians and examines the intersection of HIV/AIDS, gender, and poverty.
7. C/FBO Workshop Track at the XII ICASA. The conference is scheduled to take place in Burkina Faso in December. There will be a number of workshops and events that focus on this initiative.

Topic: "Budget/Legislative Update"

Felice Apter, Senior Technical Advisor, Population, Health and Nutrition, Bureau for Policy and Program Coordination

Dr. Apter opened her remarks by reminding the audience that it was only a little over a year ago that the HIV/AIDS meeting was held in Durban, South Africa. That meeting brought the severity and the magnitude of the HIV/AIDS pandemic into the public consciousness.

Preparations were then made for a special session at the UN on HIV/AIDS. This was the first special session on a single disease. At the same time, the G-8 Group acknowledged that infectious disease was important in a geopolitical context. Under the leadership of Japan, the G-8 Group convened a health working group that identified HIV/AIDS, TB, and Malaria as major causes of global health burden. There was an agreement among the G-8 to begin focusing on these three diseases. Within this context, Congress enacted the Global AIDS and Tuberculosis Relief Act of 2000 that established a World Bank AIDS Trust Fund with the following three targets:

1. *HIV/AIDS care and treatment*
2. *HIV/AIDS prevention*
3. *Support for AIDS orphans*

Dr. Apter stated that many other countries proposed trust funds at about the same time. There were several points of debate about these trust funds.

1. *Should the focus of the fund be on these three diseases or should it be a more general health fund?*
2. *What role would commodities play within this fund? What role would ARVs play within this fund?*
3. *What institution would hold the fiduciary management of this activity?*

As Dr. Gillespie mentioned earlier, a cabinet level council was put in place to look at this issue. Some of the members of this council have already come together to coordinate the international efforts, including Department of State, USAID, Health and Human Services, the Office of National AIDS Policy, the Department of Treasury, and the National Security Council. President Bush announced earlier this year that the United States would make an initial contribution of \$200 million for a consolidated HIV/AIDS, TB and Malaria fund.

Four Main Funds:

1. *Genoa fund*
2. *World Bank fund (proposed by the United States)*
3. *UN fund*
4. *Ottawa Fund*

In June, the UN Secretary General announced at the UN Special Session the formation of a consolidated trust fund with a target initiation date of January 2002. In July, at the G-8 Summit in Italy there was a formal announcement from the G-8 to consolidate the proposed funds. The groups that decided to consolidate and key stakeholders met the next month in Brussels. A Transition Working Group (TWG) with an initial 38 members was established. The chair of the TWG is the Minister of Health of Uganda, Dr. Kiyonga. Dr. Kiyonga appointed USAID Senior Health Officer, Mr. Paul Ehmer, as the head of the TWG Technical Support Secretariat (TSS), a coordinating body that is

compiling information for the TWG. In addition to seconding Mr. Ehmer, USAID provided \$1 million to support the work of the TSS.

Dr. Apter presented a brief summary of the work plan for the TWG and the TSS:

- Meet with UN Secretary General and US Secretary of State.
- Define the name, purpose, scope, and principles of the fund.
- Define the governance, management structure, eligibility criteria, project development and approval methods, and role of the fiduciary.
- Meet with NGOs, civil society groups, regional groups, and the private sector.

Areas that will require resolution by the TWG:

- What role should the UN play in the governance of the Global Fund?
- What proportion of the Global Fund should be set aside for commodities procurement?
- Who should have access to available funds for programming? The U.S. government felt strongly that NGOs should have access to funds.

The Global Fund for HIV/AIDS, TB, and Malaria-Outcome:

1. **Title:** The Global Fund To Fight AIDS, Tuberculosis and Malaria
2. **Purpose:** The purpose of the fund is to attract, manage and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the Millennium Development Goals.

The Five Sub-Working Groups of the Global Fund:

1. *Governance (UK will take the lead)*
2. *Country Processes (Norway will take the lead)*
3. *Accountability (United States will take the lead)*
4. *Legal Aspects (Sweden will take the lead)*
5. *Fiduciary (Japan will take the lead)*

Dr. Apter remarked that the Global Fund is moving forward, but is not yet ready to implement. USAID does not yet have details on how to apply to the Global Fund or what the parameters will be.

Dr. Gillespie provided an addendum to the presentation. In Brussels, there are forty-four different governments or organizations involved in this process. There is a commitment from heads of states that this fund will exist, although there are still many issues to be

worked out. Dr. Gillespie recommended the booklet “Leading the Way” as a good overview of the USAID program.

Questions and Answers/Audience Discussion:

Elise Smith, ACVFA member and member of the Gender Working Group, remarked that there was very little data disaggregated by gender. She pointed out that young women are one of the fastest growing at risk populations. She asked how USAID is responding to this challenge.

Ms. Smith also stated that there is a strong desire among non-health groups to become involved in HIV/AIDS programs. PVOs have found that food production drops dramatically in populations affected by AIDS. Ms. Smith asked how other sectors that are heavily impacted by the HIV/AIDS crisis could find the resources they need to work in this area.

Ms. Destler responded that USAID is paying a great deal of attention to data disaggregated by gender. Many USAID projects are directed to working with women, particularly high-risk hospitality workers, but also in all areas of family planning and the distribution of health information.

Dr. Gillespie reinforced Ms. Destler’s remarks about the focus on women. In particular, he noted that HIV/AIDS is becoming more prevalent among young women in Sub-Saharan Africa. It is essential to make sure that it is not just the powerful (usually male) that have access to resources.

Dr. Gillespie went on to say that the issue of multi-sectoral work is very complicated. He referred the audience to the guidelines posted on the website. USAID encourages multi-sectoral approaches. He stated that HIV/AIDS clearly has an impact on every area of development, but the concern is that this program not be seen as a general development fund. USAID needs to assess which multi-sectoral approaches can have an effect on the pandemic.

Lou Mitchell, ACVFA member, asked to what extent USAID has negotiated with pharmaceutical companies. He also asked Dr. Gillespie to comment on the introductory projects for the use of ARVs.

Dr. Gillespie responded that USAID does not have the lead on working with the pharmaceutical companies. USAID’s role is to indicate what the implications are for price increases or decreases in these drugs. USAID also requests donations from pharmaceutical companies.

Dr. Gillespie remarked that the introductory projects for ARVs are not demonstration projects. They are intended to maximize the public health impact. USAID is looking at projects that can be scaled up in a large population.

Helen Cornman from Project Hope and the Global AIDS Action Network asked if the expanded response goals will be included in this year's reports to Congress and how many separate reports there will be?

Dr. Apter responded that USAID is trying to set up a system that is consistent in terms of measurement with international standards. USAID will ensure that its missions - and hopes that the international community - will use the indicators established by UNAIDS (with strong USAID support).

USAID recently developed a "story line" that demonstrates the indicators measurement and the reporting process. That is in the process of being cleared and will be shared soon with external stakeholders.

Lynn McDonald, from the AFL-CIO Solidarity Center, asked what factors contributed to the decline in HIV rates in Zambia in the absence of government leadership. Zambia was one country that had a decline in HIV but not government leadership.

Ms. Destler responded that in other countries USAID saw leadership at the highest levels of government. In Zambia, there was leadership at lower levels in the government and a concerted community and donor effort. Zambia was chosen as a "rapid scale-up" country because of the high number of committed people. Zambia has a wide variety of programs including programs aimed at prevention, children and orphans, and high-risk populations. One innovative program assists grandparents in food production. Many creative project proposals have come from small, women-headed NGOs.

Dr. Gillespie added that USAID does not really know what mixture of variables caused the changes in Zambia or Uganda. The point that intrigued Dr. Gillespie was that in both countries there were major changes in sexual behavior, particularly in young people. USAID will continue this approach until a better approach is found. He added that a sustained high level of activity is critical to continuing these positive trends. Dr. Gillespie noted that there have been some positive changes in Cambodia, where the program is based on the Thai model.

Stacy Rhodes, of the Institute of International Education, urged USAID to move South Africa into the "rapid scale-up" category as soon as possible. Mr. Rhodes expressed his pleasure at the progress made in the Global Fund. However, in the field right now there is an enormous unmet demand for project funds. Mr. Rhodes stated that many people in the field view every dollar going into the Global Fund as a dollar not going to the field. Mr. Rhodes urged that the bilateral assistance approach not be left behind in favor of the Global Fund.

Dr. Apter responded that the Global Fund is a presidential initiative. To this point the money has been additive to the bilateral funds, which are also increasing. Dr. Apter stated that USAID is committed to ensuring that this fund is implemented and activities and money flow quickly. USAID and colleagues on Capitol Hill are very aware of the costs and benefits of this fund. One of the benefits is the leveraging of additional funds.

UNAID's website reports that \$1.2 billion has been pledged officially to date, some of which might not have been available otherwise.

Sharon Pauling, USAID Africa Bureau, commented that earlier in the year a number of PVOs met with the Africa Bureau. PVOs raised the issue of multi-sectoral approaches to HIV/AIDS, and involvement by non-health groups. A steering committee was formed to look at this issue. That committee has been identifying actions and issues that will be presented at a conference in early 2002. Some of the issues include needs for strategic partnerships, technical assistance, and information access and exchange.

In closing, **Ms. Curlin** thanked the panelists for their presentations, the audience for their participation and Noreen O'Meara, Director of ACVFA, for her work in organizing this meeting.