



**USAID**  
FROM THE AMERICAN PEOPLE

**Advisory Committee on Voluntary Foreign Aid**

**May 13, 2011 Public Meeting Report**

USAID  
1300 Pennsylvania Avenue, NW  
Washington, DC 20523

## **Meeting Agenda**

**Advisory Committee on Voluntary Foreign Aid**

**Friday, May 13, 2011**

National Press Club  
529 14th Street, NW  
Washington, DC 20045

**Public Meeting Agenda:**

- 9:00 a.m. Welcome**  
National Press Club  
  
Hilda Arellano, Counselor to USAID
- 9:15 a.m. Remarks by USAID Administrator Dr. Rajiv Shah**  
  
Dr. Rajiv Shah, Administrator, USAID
- 9:30 a.m. Panel Discussion on USAID *FORWARD* with USAID Senior Staff**  
  
**Moderator:**  
  
Hilda Arellano, Counselor to USAID  
  
**Presenters:**  
  
Susan Reichle, Assistant to the Admin. for Policy,  
Planning and Learning, USAID  
  
Maureen Shauket, Chief Acquisitions Officer, USAID  
  
Maura O'Neill, Chief Innovation Officer, USAID  
  
Nancy Lindborg, Assistant Admin., Bureau for Democracy,  
Conflict and Humanitarian Assistance, USAID
- 10:00 a.m. Public Comments**
- 11:00 a.m. Conclusion**  
  
**Meeting Adjourns**

**ACVFA Membership**

**May 2011**

**Advisory Committee on Voluntary Foreign Aid**

**Present**

**Patrick Awuah**

Founder and President  
Ashesi University College

**Paul Meyer**

Co-Founder, Chairman and President  
Voxiva

**Abed Ayoub**

CEO  
Islamic Relief USA

**Ndidi Nwuneli**

Founder and Director  
LEAP Africa

**David Beckmann**

President  
Bread for the World

**Sunil Sanghvi**

Director, Global Economic Development  
Practice  
McKinsey & Company

**Catherine Bertini**

Professor of Public Administration,  
Maxwell School of Citizenship and  
Public Affairs  
Syracuse University

**Liz Schroyer**

Executive Director  
U.S. Global Leadership Coalition

**Ralph Cicerone**

President  
National Academy of Sciences

**Cameron Sinclair**

Executive Director  
Architecture for Humanity

**Lorne W. Craner**

President  
International Republican Institute

**Katie Taylor**

Executive Director  
Center for Interfaith Action on Global  
Poverty

**Asim Khwaja**

Professor of Public Policy,  
John F. Kennedy School of Government  
Harvard University

**Kenneth Wollack**

President  
National Democratic Institute

**M. Charito Kruvant**

President and CEO  
Creative Associates International

**Samuel A. Worthington**

President and CEO  
InterAction

**Jack Leslie**

Chairman  
Weber Shandwick

**Via Phone**

**Adm. James M. Loy, USCG (Ret.)**

Senior Counselor  
The Cohen Group

**Eboo Patel**

Founder and President  
Interfaith Youth Core

**Absent**

**Nancy Boswell**

President and CEO  
Transparency International - USA

**Geeta Rao Gupta**

Senior Fellow  
Bill & Melinda Gates Foundation

**Esther Duflo**

Professor of Poverty Alleviation and  
Development Economics,  
Department of Economics  
Massachusetts Institute of Technology

**Megan Smith**

New Business Development  
Google.org

**Maria Eitel**

CEO and President  
Nike Foundation

**Helene D. Gayle**

President and CEO  
CARE USA

**Richard Klausner**

Managing Partner  
The Column Group

**Charles Lyons**

President and CEO  
Elizabeth Glaser Pediatric AIDS  
Foundation

**Bruce McNamer**

President and CEO  
TechnoServe

**ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID**

**Public Meeting  
May 13, 2011**

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## OPENING REMARKS

Hilda Arellano, Counselor to USAID, welcomed attendees and summarized the main topics of the meeting: first some remarks by the USAID Administrator, Dr. Rajiv Shah, on a series of ongoing reform initiatives called USAID *FORWARD*, then a panel on some of the key reform areas, followed by public comments.

## MESSAGE FROM USAID

**Dr. Rajiv Shah**, *Administrator, USAID*

There are three trends that impact the milieu in which USAID is currently operating. The first is that there is a core recognition that the work we do in development is a critical part of national security, a critical part of our foreign policy, and a basic expression of our moral values, which very much defines who we are around the world as the world comes together in a far more interconnected manner. In that context, development today is more visible, more serious, and more important than ever before.

The second trend is that there never was so much technology, insight, knowledge, experience and the diversity of sectors in our society engaged in development. In that sense, there is more energy, human capacity, intellect, and innovation that we can assign against development challenges than we did 10 years ago. So there is tremendous potential.

The third trend is perhaps a Washington-centric observation, but one that certainly has occupied a great deal of our time and energy. It has been a while since this town had the kind of deep conversations we are currently having about what we can afford to do as a country. Both parties are committed to serious deficit reduction and there has been an active debate in the Fiscal Year 2011 discussion—which is certainly also going to play out in 2012—about whether we can afford to be a superpower around the world. That is, whether we can afford to project our values and aspirations and a more pro-active strategy for addressing our security and our economic opportunities.

It is in the context of these three trends that the Agency last year launched an initiative called USAID *FORWARD*, which is an effort to reform the way USAID pursues its work to be as modern, comprehensive, and efficient as it possibly can.

At its core, USAID *FORWARD* is about creating a platform to engage a much broader range of partners, innovators, and problem solvers to address development challenges. Today's development involves many partners including communities of faith, entrepreneurs, the military, banks, universities, and other important partners.

USAID *FORWARD*'s reform agenda was designed and implemented by USAID staff and personnel in missions around the world and in Washington, DC. These staff and other individuals sat together and looked at various systems to create reforms in procurement, human resources, evaluation, and other important areas.



In the area of procurement, the initiative has led to the development of new mechanisms that allow the Agency to work with a broader range of partners in a manner that will hopefully be more efficient, labor saving, and results-oriented.

New contracting tools have also been designed to allow USAID to carry out performance- or milestone-based funding in a more efficient manner. This new design allows the Agency to partner directly with local institutions at a lower cost and in a way that helps them improve their own financial management capability and procurement and financial tracking systems so that, over time, they can become vibrant and independent organizations.

Also, by breaking down large contracts into smaller and more manageable pieces, USAID can obtain better data, oversight, and monitoring. It also allows the Agency to work in a more engaged way with its partners and subcontractors.

USAID *FORWARD* also has allowed the Agency to reallocate its limited human resources. Positions in Western Europe and Japan have been eliminated to save resources that have been reinvested in other parts of the world. For example, staff has been reallocated to fill significant staffing gaps in Sub-Saharan African missions, which is where many of the Agency's priority initiatives on food security, global health, and climate change are located. The staffing base has also been dramatically increased in other countries such as Haiti, Afghanistan, Pakistan, and Sudan to assist in managing some of USAID's largest programs.

USAID *FORWARD* has also supported a series of monitoring and evaluation reforms. These reforms will help the Agency to move away from process reporting, which has been burdensome to some partners, and focus on impact evaluation. Also, within three months of a project's completion, evaluations will be publically available, thereby increasing transparency.

Significant reforms have been also undertaken in the areas of science, technology, and innovation. The Agency has worked aggressively to recapture its strong historic leadership in these areas. Thus far, more than a hundred scientists and fellows have been recruited to join USAID. The Agency has also expanded the "Grand Challenges for Development" partnership, which defines scientific/technical challenges and then motivates the world's scientific and innovation communities to address them.

For example, one of today's biggest challenges is the fact that 1.6 million children die during the first 48 hours of life. Also, nearly 200 thousand women die as a result of postpartum hemorrhages. To address this, USAID has partnered with The Bill & Melinda Gates Foundation, the World Bank, Norway, and Canada to develop an initiative called "Saving Lives at Birth."

Through this initiative, a call for proposals has been launched to develop solutions that will save lives during this critical 48-hour period—solutions that will work in under-resourced, community-based settings in many parts of the developing world. To date, nearly 600 proposals have been received, more than half of which are from the developing world. Thirty percent are from the private sector. The purpose of this reform is to generate concrete

results. One area USAID is focusing on is the “Feed the Future” initiative, which is one of the President’s top development priorities. This is a major interagency initiative being led by USAID to address global hunger and food security around the world.

USAID investments will be increased in 20 selected countries to support making the right changes to a host country’s policy framework in order to enable increased private sector investment. Nearly 18 million people—including 7.2 million children—will be reached through these efforts over the next five years. These efforts will help them move out of poverty and hunger.

Economic data now show that populations with large levels of child stunting have lower educational attainment as well as decreased macroeconomic growth. This is a tremendous loss of human potential. To address this, USAID has made some tough changes in its food assistance programs. The Agency has embraced the findings of a new nutritional study to improve stunting outcomes. This approach has already been implemented in western Guatemala where a 28 percent reduction in stunting and wasting has been observed.

USAID is very enthusiastic about its efforts in food security and global hunger. The Agency is also enthusiastic about its efforts in other areas such as global health, economic growth, democratic governance, and education.

### **Questions and Answers**

**Sambe Duale** of Tulane University asked if, by taking a big contract and breaking it into smaller ones, USAID is increasing its management burden.

**Dr. Shah** replied that it does indeed increase the burden. However, this challenge has been addressed in part through USAID’s Development Leadership Initiative (DLI), which aims to rebuild the Foreign Service Corps. Over the last three years, the Agency has integrated 650 new DLI officers to build its capacity.

**Robin Roizman Graham** of Millennium Promise explained that there are some current funding limitations being considered by Congress which might impact major initiatives, such as the Global Health Initiative and Feed the Future. She asked how Dr. Shah intends to address some of these prospective budget cuts.

**Dr. Shah** answered that foreign assistance is far less than one percent of the national budget. Therefore, cuts in foreign assistance might not meaningfully contribute to serious deficit reduction. Also, these expenditures help save lives, improve national security, and are critical to the country’s future. He explained that part of what he hopes to hear today are ideas on how to make a strong case for these investments.

**Thomas Miller** of the International Executive Service Corps said he wanted to discuss the “people side” of USAID. He explained that, as a former Foreign Service Officer, there were some adjustments made in the 1990s that were devastating to the people side of the organization. He asked Dr. Shah if he could say a few words on how this current period of

uncertainty might impact hiring projects and the Agency's ambitious efforts to make up for the deficits of the 1990s.

**Dr. Shah** explained that every single position for which the organization is requesting growth in staffing is tied to a specific initiative such as Feed the Future or the Agency's reform agenda. For example, in the area of procurement, the organization asked for the capacity to hire 70 civil servants who have very specific technical skills in procurement contract oversight. This alone might not only help save significant resources in the future, but also improve oversight and results. Investments such as these might also help the Agency save money, especially on the program side. Dr. Shah remarked that it is difficult to have a general conversation about staffing without looking at the specific requests for positions. Nonetheless, it is important to have this conversation.

**Hillary Thomas-Lake** of LTL Strategies said that she is very excited to hear that USAID is really trying to broaden its engagement, particularly with local organizations and local companies. She asked if the Agency has any plans for working with either implementing partners or directly with other groups to ensure that enough capacity is built. She also asked what USAID is doing to engage the broadest possible spectrum of local groups in order to go beyond the usual handful of local organizations which partner with USAID on the ground.

**Dr. Shah** answered that the core discipline of development is all about using resources, partnership skills, and cooperation to build meaningful and lasting local capacity as well as institutional capability. This is one of the motivations driving procurement reform. USAID has built local capacity development teams as well as host country contracting teams. The Agency has also built tools to assess local NGOs and local governments. These tools will help the Agency understand what type of capacity and support should be provided to those partners that become more directly engaged as implementation partners.

These efforts can take time, patience, and focus. It is also important to build the necessary systems to carry out these efforts effectively. An example of such efforts is the work done with Afghanistan's Ministry of Public Health. Several years ago, the decision was made to support the development—alongside the government—of a primary and community-based health system for Afghanistan. Although this was carried out in a very difficult environment, over time, the Ministry of Public Health has been able to exert increased influence and strategic leadership. The result has been significant reductions in both maternal and infant mortality. Life expectancy has also risen by nearly a dozen years.

## **PANEL DISCUSSION ON USAID FORWARD WITH USAID SENIOR STAFF**

**Moderator: Hilda Arellano**, *Counselor to USAID*

Ms. Arellano explained that the purpose of the panel was to discuss some key reform initiatives under the umbrella of USAID *FORWARD*. The panel was composed of USAID senior staff overseeing four key areas: 1) Policy; 2) Acquisitions; 3) Innovation; and 4) Humanitarian Assistance. Senior staff discussed important reforms in each of these key areas.

**Susan Reichle**, *Assistant to the Administrator, Bureau of Policy, Planning and Learning, USAID*

USAID *FORWARD* really goes back to 18 months ago when senior leadership came together from all over the world to discuss some of the Agency's critical core competencies. One of the key areas discussed was the policy making process. It is absolutely critical for the Agency to have policies in place that guide implementation in the field.

Policy can also impact many other areas, including education and evaluation. The Agency's Education Strategy was developed through the policy making process which drew on the expertise of many stakeholders. Members of USAID's Advisory Committee on Voluntary Foreign Aid (ACVFA), for example, contributed to developing the Education Strategy by helping the Agency focus its goals. The strategy's first goal is to improve the reading skills of 100 million primary school children by 2015.

The policy making process has also positively impacted other areas including the Climate Change Strategy, the Economic Growth Strategy, and the Democracy, Human Rights, and Governance Policy.

Another area to highlight is strategic planning. A real gap existed in this area in the past. To address this, USAID launched the Country Development Cooperation Strategy (CDCS). The Administrator is challenging staff to have all countries under strategy by FY 2013. These are just some examples of how USAID is changing.

**Maureen Shauket**, *Chief Acquisition Officer, USAID*

Implementation and procurement reform has been one of the Agency's main objectives. There was significant frustration with the procurement process in the past. For example, if a local organization didn't have accounting systems that mirrored those in the United States, the Agency couldn't work with them. Today, fixed obligation grants—which are basically milestone-achievement and results-oriented awards—can be given to local organizations doing good work.

There has also been a focus on program implementation. For example, in the past, USAID only relied on its partners to do capacity building. Now, more resources have been allocated so that the Agency can do some of this work directly.

USAID has also established a Board for Acquisition and Assistance Review that examines every large procurement in the Agency. USAID has examined 29 major awards, of which 27 have been restructured. Nearly \$16 billion worth of awards have been completely restructured. The Agency has also identified many opportunities for small businesses, and currently has 45 set-asides for small businesses. In one program alone, more than \$300 million have been set aside for small business competitions.

USAID is also looking at how it can be more efficient with its programs. In Afghanistan, there will be a 100 percent audit of all of the Agency's locally incurred costs. To do this, the Agency has increased the number of in-country contracting officers. There is also a plan underway to include administrative contracting officers. This is the first time the Agency has ever used that model. Some of these positions have already been staffed in the field to allow the Agency to further engage locally in monitoring the effectiveness of its programs.

Tools such as streamlined templates are being developed to work better with donors and public international organizations. These templates will help create a common understanding and reduce the need for recurring and sometimes difficult negotiations. Mission directors have also been given expanded warrant authority so that they can directly enter into some grant agreements with local organizations.

These are just a few quick snapshots of changes in the area of procurement and implementation.

**Maura O'Neill**, *Chief Innovation Officer, USAID*

Whether in companies, the government, or our own personal lives, times change. This requires rethinking about how to adapt to a new set of realities as well as to how one might do business differently.

One of the real innovations pioneered by USAID is the idea of partnering with the private sector and other institutions through the Global Development Alliance. This mechanism has spurred organizations to come forward with concept papers on how they might develop mutually beneficial partnerships with the Agency. Over the past 10 years, the Agency has developed many of these partnerships, some of which have been real game-changers, such as the Global Alliance for Vaccines and Immunisation (GAVI).

The Agency has also pioneered a new procurement mechanism called Development Innovation Ventures, which is a knockoff of the venture capital model. Development Innovation Ventures uses staged financing based on mitigating risks and using small investments. It is important to make some small bets because it is not always possible to get it right the first time. However, once sufficient evidence is gathered, really extraordinary ideas can be scaled up to support millions of people in developing countries around the world.

**Nancy Lindborg**, *Assistant Administrator, Bureau for Democracy, Conflict and Humanitarian Assistance, USAID*

The key tenets of USAID *FORWARD* will help to obtain better responses when shocks overwhelm a country, either through disaster or conflict. These tenets will also help foster a faster and more durable recovery. In addition, they will help shore up stronger and more inclusive democratic governments.

The Food for Peace program falls under USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance. The program helps face the enormous challenge of supporting 600 million children who are hungry, malnourished, or stunted. In this area, the quantity of food and the ability to reach communities around the world are not the only two things that matter. The *quality* of food also matters.

To address this, the Bureau has been working with various universities, experts, UN agencies, and other partners to develop a study that will enable the Agency to identify key recommendations in this area. This will help USAID move forward on an agenda that is based on expertise and rigorous science to improve the quality of food provided to those who are in most need. The study will also address how to target the food more appropriately in order to get it to those who are most vulnerable and need it the most.

## **PUBLIC COMMENTS**

**Larry Nowels** of the Hewlett Foundation remarked that there doesn't seem to be a lot of information in the public eye about the Partnership for Growth Initiative. He asked if someone could comment about USAID's role on the initiative.

**Dr. Shah** answered that the Partnership for Growth Initiative looks at the entire Federal Government to figure out what can be done—through an intensified partnership with a handful of countries—to improve growth opportunities for those countries. The countries prioritized thus far are Ghana, Tanzania, Indonesia, and the Philippines. This is a new model of development because it is not entirely focused, which is very important when considering assistance as a vehicle for improvement and change. Sometimes trade policy or vital sanitary engagements or other types of partnerships might be the key to helping countries achieve a more dynamic, growth-oriented economic profile. It is also a bit of an experimental process, because the Agency is learning as it leads the coordination of the process.

**Ms. Reichle** added that interagency teams have recently completed a "Constraints to Growth Analysis" for the Philippines, El Salvador, and Ghana, with Tanzania soon to follow. In about a month, the interagency group will convene, along with host countries, to identify constraints to growth that can be tackled in unique ways. The Agency will brief members of Congress on its efforts before the end of the month.

**Soce Sene** of IBI International asked if the panelists could elaborate on USAID's utilization of small businesses. She also asked if utilization could perhaps be included as a performance indicator.

**Ms. Shauket** said USAID will have a conference, possibly in June, to train its missions on small business utilization. She acknowledged that there has been some frustration in the past when small businesses partnered with large ones and never received the promised work. Now, USAID will hold large organizations accountable when they partner with small businesses and say they will provide them with a percentage of the work. This will be evaluated both as part of the technical approach and in future awards.

**Sam Worthington**, ACVFA member, said he wanted to applaud two important things not yet discussed: the Transparency Initiative and the organization's broader approach to gender. In addition, he wanted to know how the Agency is considering leveraging philanthropic resources from various communities (private voluntary organizations, corporate, religious, foundations, universities, etc).

**Dr. Shah** said that there are efforts underway—which will be made public, hopefully, later this year—to restructure how the Agency connects with faith communities, the corporate sector, universities, etc. Work with the corporate sector is done through the Global Development Alliance, but an existing challenge is that there isn't a structured portal for universities, scientists, and researchers to connect with the Agency. It would also be helpful for the Agency to effectively tap into the commitment of young communities around the country, including those on college campuses and young professional organizations. Dr. Shah said that one way to address the issue is to create venues for connection that dramatically lower transaction costs of partnering or doing business with USAID.

**Ms. O'Neill** added that tremendous opportunities exist for leveraging not only money but also talent and resources. For example, finding new ways to collaborate with organizations like Saddleback Church, which has 14 thousand people working around the world, could be tremendously catalytic for both institutions. In terms of talent and expertise, there is also the example of hundreds of General Mills employees who have volunteered to help African food processors and small farmers. TechnoServe, an NGO funded by USAID, acts as a connector by taking pictures and placing live cams to address food processing problems. General Mills employees then run tests and figure out how to address these problems. These are assets that African countries and food processors could never afford in the near term, but which can make a dramatic difference.

**David Beckmann**, ACVFA member, said that another way to connect with USAID and the reform process is through [www.ForeignAssistance.gov](http://www.ForeignAssistance.gov). People can go to the site, see what is happening, and find out how to connect with USAID's efforts. He said that he wanted to know more about the innovations surrounding Food for Peace, and asked if they are connected to the innovations talking place at the World Food Programme.

**Ms. Lindborg** referred participants to the *Food Aid Quality Review Report to the United States Agency for International Development*, titled “Delivering Improved Nutrition: Recommendations for Changes to U.S. Food AID Products and Programs.” USAID has worked closely with the World Food Programme and many other experts and partners to develop this report.

The innovation comes about in reformulating products to deliver improved nutrition/micronutrients to serve an individual’s nutritional needs during the first one thousand days. It is also about improved targeting to work with those who need the most help. Another aspect of the Food for Peace program is to help graduate families into longer-term, more sustainable processes. The goal is not to endlessly provide food aid for generations, but to give people the boost they need and support them as they move into programs that will enable them to have a more sustainable livelihood and be a part of a productive economy.

**Peter Roberts** of FLAG International asked if there will be an articulated set of goals or requirements for the bureaus, directors, contracting officer’s technical representatives, etc., to leverage programs and designs as changes within the organization are implemented. This would require, or at least create the expectation, for mission programs to actually integrate and connect to others on the ground (i.e., donors and larger contractors partnering on the ground with subcontractors and local partners).

**Dr. Shah** explained that this is definitely a challenge. He said he is open to any guidance ACVFA members can provide on the topic. One of the challenges is that when donors come in with a high level of intensity, it sometimes tends to raise labor prices, which ends up sucking talent out of ministries and local institutions into donor-funded projects and programs.

One of the next steps would be to work in a far deeper, more coordinated manner to build local capacity. Afghanistan’s Ministry of Public Health is currently trying to set common salary standards across a broad range of NGOs and implementing partners. It is not easy to do and also very controversial, but it is important that the Agency support them by providing them with the necessary tools to put these kinds of policies in place.

**Ms. Shauket** said the Agency has been very successful at coordination efforts in some countries. In Afghanistan, for example, the Agency’s primary focus has been on intergovernmental coordination with the State Department and the military. Some tools and systems are currently being launched to help with this coordination. Donor coordination is also taking place.

**Ms. Arellano** said that the Agency has also supported the concept of inclusive leadership. Inclusive leadership will be increasingly integrated into the training of senior leadership and all officers, including the 783 new officers who have been hired over the last three years.



**Cameron Sinclair**, ACVFA member, remarked that many government agencies are adopting strategies similar to the Open Government Initiative ([www.whitehouse.gov/open](http://www.whitehouse.gov/open)). This initiative uses technology to disseminate information on what is being done. He asked how one could create a dynamic, fluid monitoring evaluation system so that people across the United States can understand what is happening on the ground. This could help the American people understand all the good work that is taking place and become “USAID ambassadors.” He wanted to know if data visualization or communication tools would, for example, allow a 22-year-old who wants to change the world to understand that USAID is already doing that.

**Leslie Cosgrove** of Amaranant said that she is currently working on the implementation phase of a USAID project in Bangladesh that aims to protect human rights. She asked how the Agency addresses politically volatile situations that weren't considered at the time the project was initiated (or contracted). She wanted to know if there are any policies in place to deal with these types of situations.

**JoDee Winterhoff** of CARE asked about the Agency's thoughts on the Feed the Future initiative, particularly on what's happening in the implementation phase with country-led plans and engagement of civil society.

**Ms. Reichle** said that during the Haiti response, one of the challenges USAID faced was gathering data about what was happening on the ground in both urban and remote areas. USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance is currently working to determine how to gather data to monitor change. These data could also help policymakers make evidence-based policy decisions. She added that, in terms of transparency, the Agency is reforming evaluation policy so that evaluations will be available to everyone through the internet within three months of a project's completion. Also, tools such as [www.ForeignAssistance.gov](http://www.ForeignAssistance.gov) allow individuals to dig down and understand how much U.S. foreign assistance is going to a specific community. This information can then be used as an advocacy tool to promote change.

**Dr. Shah** said that he was open to hear, particularly from ACVFA members, on how to prioritize the different ways to do data visualization in order to determine the most helpful way to do it. There has been a strong positive response to taking budget data and making it visual. USAID is also working aggressively to build a broad geographic information system platform that would do this for projects and programs.

Dr. Shah also said that youth are looking for ways to plug in. It is important to develop ways that would connect American youth to the development platform in order to unlock huge amounts of support, creativity, and problem solving. He added that he has talked to people about a construct called AIDConnect, which could help address some of this disconnect. He is, however, open and looking forward to any further ideas to address this issue.

**Ms. Arellano** said that, from a program perspective, there is a need to have a certain level of built-in flexibility. For example, say the scope of work specifies that work be done in a

specific province. However, work in that province is later shut down and moved somewhere else. Currently, this shift often involves going through a rigorous process. However, USAID *FORWARD* is targeting some of the most difficult country environments to execute these reforms. The Agency has realized that, if it is going to become more flexible, the best place to test its flexibility limits will be in the toughest locations.

**Dr. Shah** replied that USAID is trying to showcase a new way of working through the Feed the Future initiative. USAID has worked on the ground, country-by-country, to be part of a consultation planning process. Every country where USAID is investing now has an investment plan developed through consultations with the private sector, civil society, and other partners. In some cases, USAID has closed down certain projects to reallocate resources for new Feed the Future plans. In other cases, USAID has engaged a broader range of local partners to implement other Feed the Future plans.

Dr. Shah explained that USAID is a decentralized organization that does not always have a single point of entry. However, one thing that has helped implementation is creating a single point of implementation contact for private companies that want to engage in the Feed the Future initiative. This has allowed PepsiCo to structure an investment in Ethiopia that will reach 30 thousand smallholder farmers. It has also allowed the World Food Programme to purchase foods from USAID-supported farmers in specific countries.

**Catherine Bertini**, ACVFA member, said that she recently went to Africa and was really impressed with the way USAID is working with other organizations, especially in Mozambique. This was a new development method because, instead of having USAID working “over here” and the World Food Programme working “over there,” everybody was working together in a coordinated way. She applauded these efforts.

**Allison Grossman** of Save the Children thanked USAID for the amazing work it is doing in the area of reforms. She said that she wanted to know a bit more about where things are with regard to strategic planning and the CDCS process. Specifically, she wanted to know how things are working with regard to coordinating national priorities, working with in-country local partners, and coordinating with both the Global Health and Feed the Future Initiatives, which are taking place simultaneously.

**Indira Ahluwalia** of DTS, who is also the chairperson of the U.S. Small Business Association for International Contractors (SBAIC), said she agreed that the work the Agency is doing on gender is very important. She also said that, with regard to monitoring and evaluation, the Agency’s level of transparency and accountability is interesting, both from an evaluation and a performance management perspective. She added that the Agency has almost fulfilled all of SBAIC’s asks. She asked about what needs to be done to create funding through thresholds for small businesses or small business contracting plans.

**William Reese** of the International Youth Foundation asked how the Arab Spring has encouraged USAID to think differently about its development strategies in the region. He also wanted to know how to unlock the talent of these young people who want to be

engaged in politics, nation building, and civil society building, but at the same time want to be engaged economically.

**Ms. Reichle** said that, with regard to the development cooperation strategies, USAID has 22 CDCSs in process. Each takes between six and nine months to develop and requires USAID staff on the ground to involve partners working with the host country. The CDCSs also demonstrate how a number of important USAID *FORWARD* reform initiatives can be integrated—whether it is procurement reform, innovation, evaluation, or other strategies. The goal is to have all countries under strategies by the start of FY 2013. CDCSs have been truly revolutionary for USAID. One of the greatest frustrations in the past was the development of great strategies that were completely divorced from budget reality. Ms. Reichle added that the new gender policy under development will be the first since 1983.

**Ms. Shauket** said that USAID is not only holding itself accountable, but also holding its partners accountable. She has had a number of communications with missions around the world to monitor what the Agency is doing at the program, strategic, and implementation levels. She added that, with regard to the small business question, the Agency is doing various things to get its numbers up. The Agency has been very aggressive in this regard.

**Ms. Lindborg** replied that the Arab Spring is one of the most extraordinary events she has lived through. It is an opportunity that converges with USAID's commitment to elevate democracy, human rights, and governance within the organization. There will be several events in the future through which ACVFA members and other individuals will be able to provide additional thoughts as the Agency looks at how, both in the short and long term, to support the hopes and aspirations expressed so vividly throughout the Middle East.

**Dr. Shah** explained that the Presidential Policy Directive on Global Development asks agencies to ensure that they are engaged in developing partnerships with countries and peoples around the world to reflect America's values and unique attributes. Four areas are highlighted in this context, all of which are relevant to the Arab Spring question.

The first area is about economic growth and recognizing the private sector as the driver of wealth creation, which underpins development. The second area is democratic governance. USAID has already done a number of things in this area and will be accelerating them to engage civil society and some key partners. The third area is science, technology, innovation, and entrepreneurship. This should be a defining characteristic of what USAID does in missions around the world. This is why, for example, Feed the Future has a significant set of investments that are all about science, technology, and innovation in smallholder agriculture. The fourth and final area is mutual accountability and the idea that USAID will be holding partners to account. USAID will reallocate resources to those partners that demonstrate performance and the ability to take on tough issues. USAID will also hold itself to account.

Dr. Shah thanked everyone for their participation. The meeting was adjourned at 11:10 am.