



**USAID**  
FROM THE AMERICAN PEOPLE

## ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

**Public Meeting**  
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**Panelists:**

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*James A. Bever*, USAID Mission Director, West Bank and Gaza

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## OPENING REMARKS

**William S. Reese**, ACVFA Chair, welcomed the ACVFA Members, the U.S. Agency for International Development (USAID) staff, and the meeting participants. In particular he welcomed the panel's new members: **Dr. Timothy Flanigan**, Director of the Division of Infectious Diseases at Brown Medical School; **Richard Stearns**, President and CEO of World Vision; **Lorne Craner**, President of the International Republican Institute (IRI); and **Spencer King**, President and CEO of International Executive Service Corps (IESC).

## KEYNOTE ADDRESS

*Andrew S. Natsios, Administrator, USAID*

In his second inaugural address, President George W. Bush said:

The best hope for peace in our world is the expansion of freedom worldwide....U.S. policy is to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny.

This goal of promoting democracy is already having effects around the world. We have seen changes in Lebanon, Ukraine, and Kyrgyzstan, and even a nascent democracy movement in Egypt. Pickups by opposition parties in Ethiopia indicate that their recent election was legitimate. And of course democracies are being formed in Afghanistan and Iraq.

For 20 years USAID has followed a democracy-promotion strategy, and the progress we have made is proof that that strategy is sound. USAID spends more than any other aid agency in the world to promote democracy. It has over 400 Democracy Officers serving over 80 countries.

USAID supports democracy for three primary reasons:

1. **Principle.** Freedom is the inalienable right of all people.
2. Our **experience** has taught us that accountable and effective governance is essential for development, and that crises of governance are often at the heart of crises of development. Democracy promotes better governance because it allows a people to remove corrupt or ineffective leaders without violence.
3. Democracy addresses a root cause of political extremism and international terrorism, and as such enhances **national security**. Countries where extremism has taken root are characterized by cultures of alienation and repression.

Specifically, the Agency aims to:

- Expand political freedom and competition.

- Promote justice and human rights through the rule of law. (This is also a development aim, as companies will not risk their capital in lawless countries.)
- Strengthen democratic and accountable governance.

The budget for Democracy and Governance is spent on each of these aims as follows:

- 47% to expand freedom and competition,
- 13% to promote justice and human rights through the rule of law, and
- 40% to strengthen democratic and accountable governance.

The reason for this allocation is that there are always elections that need supporting, and elections are very expensive. Those in Iraq and Afghanistan cost \$180 million each, for example.

In FY2002, the year that included September 11, USAID's budget in Democracy and Governance was \$670 million. In FY2004 the total budget was close to \$1.2 billion, but nearly half of that amount was spent in Iraq and Afghanistan. The total remaining amount comes to \$685 million, only a \$15 million increase.

The problem is that earmarks on Agency spending have grown so extensive that they are taking money from other accounts. These earmarks are for education, microfinance, and biodiversity— all worthy uses. But in Africa, for instance, the most important priorities are Rural Development, Infrastructure Development, and Democracy and Governance. These are not earmarked accounts, and therefore they are not growing. When you in the audience go to Congress to argue for the preservation of these earmarks, understand that there is a profound imbalance in the Agency's budget for those areas where they don't exist.

Each country has its own peculiarities, which means each needs its own strategy. To tailor a strategy to each country the Agency uses a strategic assessment tool covering five areas:

1. Consensus
2. Competition
3. Rule of Law
4. Inclusion
5. Good Governance

#### *Consensus*

Do people agree on national identity and the constitutional structure of the state? USAID helps nations write constitutions and start constitutional processes, launch national dialogues, and conduct post-crisis elections and civic education. It invested heavily in all of these in both Afghanistan and Iraq. For example, USAID provided constitutional experts in both Iraq and Afghanistan to help Iraqis and Afghanis write their constitutions.

#### *Competition*

Do state and society encourage peaceful competition? People must have a true choice to remove their leaders from office if need be. USAID helps administer multiparty elections, and encourages robust democratic political parties and non-partisan electoral administration. It fosters freedom of the press and the development of civil society. It even helps parliaments develop mechanisms to write and manage bills.

#### *Rule of Law*

Are just laws and rules applied equitably? USAID supports legal and judicial reform and judicial independence, provides support for human rights organizations, and helps improve the access to and administration of justice.

#### *Inclusion*

Are all citizens able to participate in political, social, and economic life? One of the biggest challenges in some countries is ethnic, tribal, or religious discrimination. USAID promotes universal suffrage and political participation, the strengthening of civil society, the decentralization of political and economic power, and access to justice. For example, 85% of the population of Bolivia belongs to one of two indigenous groups and does not speak Spanish. The 15% of the population that is of European origin essentially controls the political process, even though Bolivia went through a process of democratization in the 1980s. USAID has helped alleviate this problem through decentralization, giving decision-making power to local leaders.

#### *Good Governance*

Do the public institutions of society—state and non-state—work as they should? USAID helps strengthen executive branches, legislatures, and civil society, and has issued a new overall anticorruption strategy. It also works to improve the security sector, as this is one of the greatest weaknesses and failings in many countries. In El Salvador in 1992, for example, the police had an 8% approval rating. USAID provided training to move that force from a garrison-based to a community-based policing model; it now has a 90% approval rating.

The challenges to democratization are of two major types:

- Regime challenges, which vary with the kind of regime: totalitarian, authoritarian or semi authoritarian, emerging democracy, or consolidating democracy.
- Structural challenges, including state fragility, backsliding, corruption, and clientelism and patronage.

The Agency's approach to each of these challenges is distinct, and its flexibility and nuanced approach have led to a string of successes in the last 15 years, including democratic movements in South Africa, Poland, El Salvador, Mozambique, Indonesia, Ukraine, Georgia, Afghanistan, Iraq, and now Lebanon and Kyrgyzstan.

## QUESTIONS AND ANSWERS

**Ted Weihe, ACVFA Member**, asked about progress in reorganizing the Bureau of Democracy, Conflict and Humanitarian Assistance (DCHA).

**Mr. Natsios** replied that USAID decided to turn the old bureau, dealing with humanitarian assistance, into one with the broader mission of dealing with fragile states. As the National Security Strategy of 2002 says, America is no longer threatened primarily by powerful, aggressive states but by failed states. Globalization has a well-known bright side but it also has a dark side: it is much easier today to globalize terror, narcotics, trafficking in human beings, and counterfeiting. Forces that engage in these activities are attracted to countries with no state, such as Somalia, or a failed state, such as the Democratic Republic of Congo. It is no accident that Osama bin Laden had headquarters in three failed states: Somalia, Sudan, and Afghanistan. He could function in those contexts without interference.

USAID would argue that state failure is caused by bad governance and the absence of democracy. So the Agency is connecting democracy promotion with the problems of crisis and corruption. It already puts Democracy and Governance Officers on Disaster Assistance Response Teams (DART). The reorganization is designed to allow USAID to extend the developmental power of DCHA's humanitarian offices into the field more rapidly. If the United States is threatened by failed states and fragile states, USAID needs a capacity to respond rapidly to failing states—within a matter of weeks—along with its regular, long-term development portfolio.

When a country begins to go into crisis, the Agency will create a task force co-chaired by the Assistant Administrator heading DCHA and the local Mission Director. The Assistant Administrator will lead initially, taking control of programming, the deployment of resources, and spending. As the programs move to a long-term development phase, the Regional Bureau will take over.

**Mr. Weihe** asked whether the Agency was able to engage religious institutions in various countries, and if so, how difficult it is.

**Mr. Natsios** replied that USAID has been engaging religious institutions for 40 years. People in the United States think the Agency only works with Christian organizations, but that is not true. It works with Buddhist monks on anti-trafficking efforts in Cambodia. It has provided training to 5,000 mullahs and imams at a government-run Koranic school in Bangladesh, in a curriculum including fish farming, women's rights, and health issues. It is working with both the Orthodox Church and the Islamic Council in Ethiopia to fight the spread of HIV/AIDS.

**Nancy Aosse**, **ACVFA Member**, asked whether the Administrator was optimistic about the future in Afghanistan.

**Mr. Natsios** replied that we should not assume democracy will result in pro-American regimes immediately. But over time it will. Once the Islamic party took power in Turkey it moderated, for example, so that now it compares itself to the Christian Democratic tradition in European politics.

## **EDUCATION STRATEGY ROLLOUT**

**James Smith**, *Acting Assistant Administrator, Bureau for Economic Growth, Agriculture and Trade, USAID*

In Dakar in 2000, the World Education Forum endorsed six goals embodying education for all (EFA).

1. Expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children.
2. Ensuring that by 2015 all children, particularly girls, children in difficult circumstances, and those belonging to ethnic minorities, have access to and complete free and compulsory primary education of good quality.
3. Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programs.
4. Achieving a 50% improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults.
5. Eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality.
6. Improving all aspects of the quality of education and ensuring excellence of all so that recognized and measurable learning outcomes are achieved by all, especially in literacy, numeracy, and essential life skills.

USAID took on the co-chairmanship of the *Fast Track Initiative* donor movement (FTI) to accelerate action on EFA. Over the past year the United States has helped change the nature of this initiative from one of "massive resources from somewhere undefined" to one of coordinating effectively and finding creative, innovative in-country mechanisms.

The USAID Education Strategy has two basic components.

1. Basic education. This is broadly defined to include early childhood development, primary and secondary education in formal and informal settings, teacher training, and literacy and life-skills training for youth and adults. The United States is currently the largest bilateral donor in basic education, having spent \$365 million in this area in 2004 (twice the 2001 level) to support programs in 43 countries.
2. "Beyond" basic education. This includes higher education, workforce development, and participant training. In 2004, USAID spent \$55 million on higher education partnerships, \$12 million on workforce development, and a substantial amount on participant training. From 1988 through last year, the Agency supported more than 295 university partnerships in 71 developing countries.

The Strategy articulates as major USAID objectives access to underserved groups (especially girls, those from poor families, and those living in rural areas) and improvement in the overall quality and relevance of education activities. Currently 115 million children lack access to basic education; two thirds of them are girls.

The Strategy also emphasizes equitable access to a *quality* education that provides mastery of foundational learning skills. Poor educational quality and the irrelevance of education to the skills needed to sustain development diminish the economic value of schooling. This Strategy calls for programs that effectively provide both basic education and skills training that can lead to lifelong learning. The Agency has been investing in new ways to measure and monitor performance at all levels, as the world currently lacks the ability to gauge accurately whether educational programs are succeeding at producing an adequately literate and trainable workforce. Enrolment rates are useful, but only a proxy for student outcomes. The Education Policy and Data Center will help in this regard, and the Global Learning Portal will help teachers throughout the world learn from one another. Such global assets encourage learning communities among all users worldwide, an approach that is needed if all countries are to meet their education and development goals.

In pursuing these goals, the Agency will be guided by the following principles:

- *A sector-wide approach.* USAID has been promoting this idea strongly in FTI because the multiplier effect possible with real sector programs is substantial. On behalf of the Strategic Partnership with Africa, the World Bank carried out a review of all the sector programs in Africa, (those that are country led, with a coherent policy framework and support from donors). There are 48 countries in Africa; the World Bank found only 27 true sector-wide approaches there. Many of the attempts at collaboration are not succeeding in creating truly coordinated programs.

- *Greater efficiency.* The Minister of Education from Burkina Faso told the group assembled for last year's EFA meeting in Brasilia that if his communities build their own schools it costs half as much, but the maintenance is better because the community looks after the structures. Burkina Faso is not likely to reach 100% primary enrollment by 2015, but it has made rapid progress. In 1969, 10% of its children were enrolled in schools. Today that figure is up to 50%, particularly impressive considering that the nation's population has almost doubled over that same time and continues to grow rapidly. By relying on communities to build his schools instead of the Ministry's contracting procedures, the Minister has found a more efficient way to expand the system quickly.
- *Sustainability.* Without economic growth, educational systems are impossible to sustain. The economy must expand as rapidly as the educational sector draws resources.
- *Collaboration.* Honduras worked very hard with the entire donor community and some local private partners to put together a true sector program. The Minister of Education's position was that this initial work was a platform he could then use to attract more private investors.

In Nicaragua, USAID piloted a program with the Chamber of Commerce, wherein Nicaraguan companies partnered with public schools. The companies contributed resources, but just as importantly they brought to the schools their results-oriented culture. Schools have begun tracking student results as they had not before.

- *Innovation.* For example, an innovation in teaching methodology has allowed India to achieve literacy very quickly with young children who haven't been in school. USAID's aim is to seek out and use such innovations.
- *Resource allocation.* The Agency plans to focus on the human resource needs of each country that has clearly demonstrated a commitment to education designed to sustain its continued development.

Pursuing these goals in education can help USAID further its aims in other core areas, such as:

- *Security.* In some countries the Agency is teaming with religious leaders to address security concerns through education programs.
- *Fragile states.* Expanding educational opportunities for all is a very real way of dealing with the problems of discrimination and non-inclusion that can alienate groups and thereby destabilize states.

The Agency's next step will be to disseminate the Strategy and make it operational. USAID believes it must help education systems find new ways of

doing business in developing countries, and of working with a wide range of individuals to achieve ambitious goals. System-wide changes are needed on all fronts, including the adoption of new approaches to funding, creation of new partnerships and alliances, establishment and accreditation of alternative delivery systems, improvement in cross-national and global linkages, and expansion and wider use of technology.

## QUESTIONS AND ANSWERS

**Elise Fiber Smith, ACVFA Member**, noted that in Africa in particular a high proportion of the population lives in rural areas. In countries that have focused on educating women farmers, food production has increased. She asked whether any part of the Education Strategy was aimed at rural women.

**Mr. Smith** agreed that rural women are key, although he said he was not sure how the recently released Agricultural Strategy, focused on market-oriented development, made a linkage specifically to their education. He added that helping women farmers in Africa has a salutary effect on their ability to send their children to school. Tanzania achieved universal primary education at one point but then fell back, because the opportunities weren't there to justify sending children to school. Part of the answer is to further the development of the agricultural base, which in turn helps expand the economy. This returns to a problem the Administrator highlighted: that in the interest of earmarks we have penalized economic growth, infrastructure, and democracy and governance.

**Jennifer Brinkerhoff** of George Washington University asked about the advantages and disadvantages of working directly with governments and their educational systems, as opposed to working through non-governmental organizations (NGOs).

**Mr. Smith** replied that he saw no contradiction between the two—a sector-wide approach should be an overarching strategy that all parties can agree on and contribute to.

**Gene Sperling**, Director of the Center for Universal Education at the Council on Foreign Relations, noted that ministers of education are afraid to expand their teacher pools, because then they face recurrent costs they cannot meet if they receive less aid from donors. He asked how to overcome this problem, and what resources are needed if the world is to reach universal education by 2015.

**Mr. Smith** replied that FTI emphasizes in-country coordination and careful planning by ministers. There is enough money already in the international system to reward those who perform well. Every donor is seeking to increase the amount of money going to education and to overall aid, so barring a global recession future flows look quite robust.

## EDUCATION STRATEGY PANEL DISCUSSION

**Moderator: John Grayzel**, *Director, Office of Education, Bureau for Economic Growth, Agriculture and Trade, USAID*

**Edward Kadunc**, *USAID Mission Director, Mexico*

Mexico has a population of over 100 million. It is the eleventh largest economy in the world, and is projected to have \$17 billion worth of remittances this year. In short, it's a very different country from most where USAID has programs, which often raises the question of why the Agency does have a program there. The answer is that it is a transitional state and a strategic partner, America's largest trading partner and our largest source of foreign investment. The United States and Mexico have the busiest border crossings in the world, and a large population of Mexicans lives in the United States.

At the beginning of the Bush administration, Presidents George W. Bush and Vicente Fox declared a "Partnership for Prosperity," a framework for cooperation between Mexico and the United States that includes a promise to improve the depth of relationships between U.S. and Mexican institutions, especially educational institutions. In fact, a number of institutions of higher education already have permanent relationships and presence in Mexico, and others have relationships with Mexican institutions they are now amplifying.

USAID's Training, Internship, Exchanges, and Scholarship (TIES) program in Mexico sets up two kinds of relationships.

1. USAID provides scholarships for about 50 teachers from disadvantaged and indigenous groups who want to teach in their home areas, chiefly in the south of the country. These teachers participate in a one-year teacher-training program in the United States. They bring back skills and motivation to their communities, which in turn help those communities deal with business opportunities and technology challenges. In the future, the Agency aims to provide training for school administrators as well.
2. USAID runs a program that fosters joint research partnerships between U.S. and Mexican universities. Forty-one of these partnerships will be underway as of June, meaning that approximately 80 U.S. and Mexican universities will be working on joint research, in fields including small business development, aerospace technology, grasslands management, rural watershed management, and psychological social work training for teachers.

The expectation is that these partnerships will continue after the program is over. In the future, the Agency plans to sponsor joint research on

competitiveness and on the management of natural resources, especially water.

USAID's annual conference of project partners in June in Guadalajara will bring together 80 senior officers from universities in the United States and Mexico, the first gathering of its kind of such magnitude, along with the Mexican Secretaries of Labor and Education and senior U.S. Labor and Education officials. The conference will also serve as the binational meeting for workforce development under the Partnership for Prosperity, and is expected to produce a set of recommendations in that arena.

**John Grayzel** noted that Mexico was one of several motivating examples that affected USAID's decision to recognize more clearly the interrelationship of "basic education" and "beyond basic education" activities in its Education Strategy. The Agency tried hard to reach a proper balance between stressing areas of its own comparative advantage and recognizing that the most successful ideas come from the field. For example, Mexico's experience with remittances funding local education may provide one of many possible answers to Mr. Sperling's question on the enormous challenge of financing education.

**Stephen F. Moseley**, *President and CEO, Academy for Educational Development (ACVFA Member)*

The following points are worth considering:

1. What is wonderful about this Strategy is that it comes through with new and growing resources at a time when there is a common agenda in the world, set through the meetings in Thailand and then Dakar. The Agency is helping set priorities, but at the same time it is responding to a common agenda in the world.
2. USAID funds have always had, and have even more today, the chance to leverage dramatic and innovative reform. There are dramatic resources in countries—education makes up 18–25% of the budgets of even the poorest countries in the world. At the same time, relative to the need education is not adequately funded, and the amount of money coming from the international sector is comparatively low, 2–5% of all international donor money. (Education is 5% of USAID's budget, and it is the leader.) This means that every dollar spent by an outside aid agency can leverage \$95–\$98 worth of innovation in countries' own budgets.
3. Long-term commitment is essential. These are 10- to 15-year efforts that need to be measured at 4- or 5-year intervals.
4. We have been good at measuring inputs, and even fairly good at measuring quantitative outputs such as participation and graduation rates.

- And these are important measures—it is important to know, for instance, that more girls are in school every year. But we have not done as well at measuring the learning gains made inside classrooms, or the relationship between learning gains and gains in other sectors.
5. It is good to be building toward significant levels of secondary education. The expectation in the past was that we would address primary education first; now we understand that we need to address primary and secondary education concurrently, along with technical and higher education.
  6. Education has a direct responsibility to involve the business community. Where that has happened we see education of higher quality. Jordan, for example, is perhaps the leading investor among developing countries in building information technology (IT) skills, but it has recognized in the past three years that no one is employing its IT-trained public school graduates. So it has invited businesses to help it define which skills are truly employable.
  7. We need to do more to recognize not just the huge numbers of children who aren't in school, but the large numbers afflicted with disabilities, and especially those afflicted with learning disabilities that hinder them for the rest of their lives. This country has become very good at teaching disabled children, and could export this knowledge well.
  8. It will not be possible to reach the goals we've set without a dramatic increase in investment and innovation. We need to use resources in new ways, through new technologies, community engagement, and participation by business. We also need to find new ways to deliver massive amounts of teacher training.
  9. The amount of U.S. participation, while growing, is only back to 1995 levels: in 1995, USAID invested \$600 million in long-term leadership training, and \$400 million in basic and secondary education. Spending on basic and secondary education dropped to \$95 million during the last part of the Clinton administration, and then increased over the last few years back to \$400 million. To meet the goals of the fast-track initiative, \$7.6 billion is needed; the U.S. proportionate share of that would be around \$800 million.

**Mr. Grayzel** noted that the Strategy does say that “ensuring equitable access requires removing...barriers to education, especially for populations underserved because of their poverty, rural residence, ethnic background, *disability*, or sex.” [Emphasis added.] These are not mere words but an indication that USAID does intend to direct specific attention toward these problem areas, including questions of disability. The Agency is already writing a special paper for the agriculture group of the Development Assistance Committee (DAC) on what it

means to deliver education truly responsive to the needs of rural as distinguished from urban populations.

**James Wile**, *Director, International Development, International Reading Association (IRA)*

The authors of the Strategy have done a marvelous job. Positive aspects of the Strategy include:

- U.S. investment in education programs is described as an investment rather than philanthropy.
- The Strategy clearly links education and development. Too often people believe education is the outcome of a developed society rather than a vehicle of development. It also links education to social progress, to cross-cutting issues such as health, population growth, and agriculture, and to stability, democracy, and good governance.
- It aligns USAID policy and vision with the goals of EFA.
- It emphasizes sector-wide approaches.

Some constructive criticisms are in order, however:

- It is not clear what in the Strategy is news. A strategic plan is an opportunity to advance discussion, and while the document is aligned with EFA and other education initiatives, it is not clear what advances it makes toward those pre-existing goals. It does not adequately create a distinctive identity for USAID education initiatives, or distinguish the U.S. approach from all others.
- While there is no doubt that in the first five years of the literacy decade we have made tremendous progress, we may have reached all the low-hanging fruit. The same strategies may not continue to work in the second half of the decade as we try to reach people who are more remote, or more divided by language and ethnicity.
- Relationships harden over time into traditions, and in the international community, the relationship between donors and donees has hardened into traditions with rather unfortunate outcomes. It may be time to rethink USAID's relationship with donor and donee organizations, and its relationships with NGOs here in the United States.
- Education is part of an integrated care approach: you can't improve education without dealing with issues such as health, security, stability, and housing. It is not clear how the Strategy aligns with organizations working on those issues, here in the United States or internationally.
- The Strategy could use a better definition of a quality basic education.

- In an aggregate sense, USAID spends a lot of money on education. But when you realize that that money is spread over 40 developing countries, and that in most developing countries 30–50% of the population is young, you begin to see that the amount of money available per student is quite small.

This means the Agency must be much more strategic about how it spends its resources. It must make an investment in research and design. In any industry, growth comes from investment in R&D. Unfortunately, most research in the field of literacy happens outside the developing world. USAID must help the developing world build universities and centers for the study of literacy. Exchange programs are important, but professors return from them to universities that lack the incentives and facilities to conduct research. They also lack a mechanism for dissemination, which is why IRA is working with USAID and the Academy for Educational Development on the Global Learning Portal, to help circulate knowledge in the developing world.

- When we talk about improving education, we have to pay attention to building demand for education. We have to create cultures where education thrives and literacy is demanded—where there are incentives to use literacy outside of school.
- The Strategy does not adequately address the issue of providing access to print. It will be a wasted effort if we invest in training teachers to help people become literate when there is nothing for them to read, especially in their mother-tongue languages. Perhaps USAID can direct its attention through its public-private partnerships to stimulating local publishing.

**Mr. Grayzel** commented that the Strategy is meant to be a guiding framework. Dr. Wile’s comments are all pertinent, but USAID addresses these with specific solutions tailored on the country level and in coordination with other donors and the host country. In addition, the strategy is intended to be followed by an operational document. The second half of Dr. Wile’s talk provides a good beginning for what might appear in such a document.

## QUESTIONS AND ANSWERS

**Michael Nyenhuis, ACVFA Member**, noted that more than one speaker referred to “quality education.” The Strategy describes test scores as the “main source of insight into educational quality in different countries.” The Member asked what else panelists recommended using as indicators of educational quality.

**Mr. Moseley** responded that while more testing is necessary, he did not believe testing was the only avenue to understanding the quality of education. Other measures are also possible. We can see whether the emphasis on a multisector

approach is reflected in a curriculum, for example, and whether or not it reflects the community's participation.

**Mr. Kadunc** added that particularly with regard to private university programs, the response of the private sector is instructive: how useful are graduates' specialties to private employers? How well do graduates fare in finding jobs? How likely is funded research to be picked up by private companies?

**Dr. Wile** suggested looking at quality inputs: the quality of curricula, for example. Standards should also be in place defining what it means to be a teacher. At present, thanks to a huge teacher shortage, in developing countries virtually anybody can get into a classroom.

**Ben Homan, ACVFA Member**, asked Mr. Kadunc to elaborate on how the collaborative efforts he described are put into operation.

**Mr. Kadunc** said that the program issues an annual call for proposals, depending on USAID's interests. In some years this call has been very broad, although this past year it was very specific. (Recognizing that there is a public security problem in the border area between Mexico and the United States, and in particular in Ciudad Juarez where there have been many brutal murders of young women, USAID issued a call for proposals to set up forensic program in a Ciudad Juarez university that would identify the bodies of these women.)

These research proposals are then presented to the Association of Liaison Organizations, which puts together panels to evaluate and rank them on their technical merits, and returns to USAID a list of the proposals in the competitive range. The Agency compares that list to the amount of money available and awards funds. It then monitors periodically to insure that research projects are meeting their goals.

**Frank Method** of Research Triangle International said that the Strategy was a fine document, but lacking a discussion of implementation modalities, both from USAID and the community at large. The progress that has been made in primary education built on a 10-year effort, including projects like the Improving the Efficiency of Education research endeavor. Perhaps something similar is needed on issues of quality. The field could well have \$800 million to \$1 billion in funding in the future, but it is not clear that it is ready to implement programs at that level. Serious discussion is needed of modalities and mechanisms for collaboration and long-term planning.

**Mr. Moseley** commented that to implement efforts of higher order—to reach people not yet served and to establish higher-level education—models must be found in the developing world. In South Korea, Mexico, Jordan, Thailand, and elsewhere, modalities exist that allow ministers of education to use the best talent in their own countries. Often education is the poorest ministry in a country

and unable to attract the best minds. USAID can partner with ministries to enable long-term investment planning and design to jump-start innovation.

**Mr. Kadunc** added that often being able to provide quality education means working with not just the education sector but planners, financial managers, and tax authorities, so that government and the private sector are capable of sustaining investments in education. It is often hard to find enough teachers or enough funds to build and maintain facilities. Overly restrictive earmarks make it very difficult to work in these broader areas.

**Mary Ann Zehr**, a reporter from *Education Week*, noted that USAID has announced it will not write education policy in Iraq, and asked whether the Agency will stick to that same procedure in other countries.

**Norman Rifkin**, USAID's Senior Education Advisor for Iraq, replied that in Iraq the Minister of Education specifically requested that the Iraqi Provisional Government be in charge of developing its own curriculum, a request directed not just at the United States but at all donors. USAID does not have a similar policy elsewhere.

**Dr. Wile** added that while the United States should not write curricula for anyone, it can encourage and aid ministries that might not otherwise have the necessary capability.

**Mr. Moseley** said that while building ministries' abilities to change and assess curricula is an important function of international development, outside countries have failed when they have tried to intervene directly in the curriculum-writing process.

**Mr. Grayzel** commented that the Strategy is meant to encourage local innovation. For example, since it is important for the local private sector to inform curricula by describing what skills it finds relevant, the Strategy uses the involvement of the private sector as an assessment criterion. Whatever the curricula, USAID feels it is vital to help countries assure that there is adequate coordination between them and teacher training, testing, and the materials themselves.

**Mindy Reiser** of Synectics noted that USAID is not alone in funding education programs. There is enormous funding in the Fulbright Scholar Program and other scholarship exchange programs in the State Department, the Department of Energy, and elsewhere, for example. She suggested that the Agency coordinate with these programs, to try to involve their graduates in follow-up training.

**Dr. Wile** agreed that much intelligence in all countries has not yet been adequately harnessed. One problem is that a lack of infrastructure has kept

people from communicating. Bringing scholars into an international community will go a long way.

**Mr. Moseley** added that while investment in long-term external training has decreased, investment in in-country training has increased dramatically. Work in the former Soviet Union has shown that building alumni networking into training programs seems to enhance the value of the investment greatly. It is more difficult to involve people in long-term follow-up if it isn't included in the program from the outset.

**Melanie Beauvy** of the Education Development Center stressed that coordination with other sectors is vital, especially in dealing with hard-to-reach youths, those also in need of food, health, and other services. She suggested USAID investigate ways to bring together its bureaus to ensure adequate collaboration across sectors, perhaps through a Global Development Alliance (GDA) mechanism.

**Mr. Kadunc** said that in northern Mexico, USAID is designing a GDA to care for children with disabilities and provide them with basic skills. The program in question has been certified by the Secretary of Education for primary education, so that children in a daycare facility are able to finish a regular school program. That facility has now put together a proposal involving the local business council in which large companies commit to identifying jobs that can be done by people with disabilities. The business council will then work with the institution to provide the training needed to do those jobs.

**Mr. Moseley** added that there has not yet been enough attention to the dramatic impact HIV/AIDS has had on education, due to the death of teachers and the need to support orphans and provide health services for children. A cross-sector approach is desperately needed in this area.

**Laura Henderson** of the Christian Children's Fund asked what the Agency is doing to increase access to early childhood development, and whether increased access will mean increased funding.

**Mr. Grayzel** replied that while of course USAID hopes for increased funding, primarily it hopes that the Strategy will help the Agency break out of certain self-imposed conceptual and operational constrictions. USAID will have to return later with specific ways it plans to respond to the goals the Strategy sets. At the top of the list is likely to be an effort to enhance mother-child literacy.

**Ron Israel**, Vice-President at the Education Development Center, Inc., commented that the consensus used to be that aid organizations should focus on primary education. Today the challenges include countries that have robust primary education programs but that are not reaching all children, or those that want to build systems of secondary education or workforce development. This

presents education planners within USAID and in countries with difficult choices. He asked how the Agency can build the capability, within USAID and at the country level, to make those kinds of choices.

**Dr. Wile** said that we all have a tendency to do the things we are most familiar with, in this case schools, curricula, and training academies—the issues dealt with in the Strategy. It may be more difficult to do things not part of the American tradition.

**Mr. Moseley** said that the Strategy provides the flexibility to build on countries' own models. In Brazil, USAID funded an experiment that took 100 children and made a partnership for their education among four NGOs, the state and national ministries of education, and 50 businesses to provide mentoring relationships, laptop computers, and curricular change through teacher training. That model may not be scalable, but it challenged the players to look at every aspect of the education system differently. After two years, 96 out of 100 children completed high school, and 56 went on to technical colleges with scholarships. Every one of them is in demand to be employed.

**A participant** asked Mr. Kadunc what impact the new Strategy will have on the Mission's programs in Mexico.

**Mr. Kadunc** replied that the Agency believes its program in Mexico is quite good and doesn't expect the Strategy to change it. But it should provide more opportunities to do things through its partnerships.

**Sean Tate** of Creative Associates International, Inc., asked whether USAID has looked to Finland—number one in the world in both reading and mathematics—as a model, and whether it will do so more in the future.

**Mr. Grayzel** replied that USAID has consistently cited Finland as an example of a highly innovative society. Finland provides a highly flexible, cost-effective education that consciously ties educational practice and policy to the nation's economic development plan and the need to provide job skills to all students.

**Michaela Oldfield** of Water Advocates said she was pleased to see the Strategy mention sanitation facilities, but that she did not see a mention of safe drinking water. Girls are the ones who have to walk miles for water, and when family members get sick they are the ones pulled out of school to care for them.

**Mr. Grayzel** replied that while the issue is not in the Strategy, it will be among the challenges the Agency will keep in mind in making the Strategy operational. He was recently in the Sudan, he said, where it was clear that it will be impossible to get girls into school without dealing with the various effects of ill health and with the labor women have to put into carrying water and preparing food. Safe

schools are also addressed more particularly in the Agency's specific plans and projects for gender-sensitive education.

## **BREAKOUT SESSION: ARAB AND MUSLIM OUTREACH**

**Moderator: Iqbal Noor Ali, CEO, Aga Khan Foundation USA (ACVFA Member)**

Administrator Natsios spoke about USAID's efforts in the fields of democracy and governance. One of the key points he made was that the aim of USAID's work in these fields is not necessarily to export the American model of democracy, but to help democracy take root in a particular culture, to be defined by the needs, aspirations, and opportunities within that society.

Sometimes, despite our best efforts, the implementation of that thinking leaves something to be desired. One objective of this panel discussion is to see what works, and what has not worked and could be done better.

Any outreach effort is a dialogue. It is an attempt to understand the fabric of a society in order to take a better programmatic approach. After all, it is the development of people in need, people who are struggling to make a better life for themselves, that should continue to be the ultimate driver for our work, not necessarily any motivations of public relations or political aspirations.

USAID faces two fundamental challenges in its outreach in Muslim countries.

1. There is a lack of awareness of the *extent* to which the Agency and the U.S. government have been active in countries with majority Muslim populations. Today at least half if not more of USAID's budget goes toward majority-Muslim countries. This is not a product of the post-September 11 era, either; it has been this way for decades.
2. More importantly, there is suspicion of the *intent* of that assistance. Some talk about the ongoing "clash of civilizations." His Highness the Aga Khan has refuted this idea by calling the situation a "clash of ignorance." The industrialized West and the Muslim world lack knowledge of each other and understanding of what makes the other work. To resolve this problem we must take a long-term, multigenerational approach. It will not be done in a "Wall Street quarter." In the United States the solution must begin with schooling: what our children learn about other people, and about what misperceptions exist in many parts of the world about us as Americans.

**Ann Phillips, Senior Political Economist, Policy and Program Coordination Bureau, USAID**

USAID has worked in predominantly Muslim countries for years, but recognizes that it does not know everything about them. September 11 and other extremist

attacks show that we need to better understand the dynamics, including grievances, at work in many of these societies. They also demonstrate that globalization does not mean homogenization: that knowledge of traditions, language, and culture is as important as ever.

So a first challenge was to educate ourselves, to order our own knowledge about the Muslim world and acquire more in a systematic way. This realization was the impulse for a series of studies on education, economic growth, governance, and philanthropy. These are broad-brush studies, meant to capture the differences between as well as the bonds among Muslim societies. (The studies do not reflect USAID or U.S. government policy.)

A common thread running through all of these studies is that of the diversity of the Muslim world. Muslim populations constitute 1.3 billion people and span five continents; they are both ethnically and geographically diverse. There is an enormous diversity in the role and practice of religion, the level of development, and the types of government.

At the same time, however, Islam provides a new sense of solidarity across these diverse societies, heightened by the current international environment and by communications technology. In the most disparate parts of the Muslim world people feel solidarity with Palestinians, with Chechnya, Kashmir, Afghanistan, and Iraq. They also often express a broad-based mistrust of the West.

Together these studies show that Islam per se is not the problem. All of them also support the premise that USAID, U.S. government agencies, and the U.S. NGO community must expand their circle of partners and interlocutors in the Muslim world in order to reach broader segments of those societies. A natural predilection to talk primarily with Western-oriented, English-speaking partners will not be enough.

That said, the real tension between U.S. security objectives and outreach efforts needs to be addressed. The visa process is increasingly onerous, particularly for those from Muslim countries; all partner organizations need to pass a stringent vetting process; a significant number of Islamic charities have been shut down. These strictures, perfectly understandable from a security standpoint, do complicate efforts to engage an expanded range of groups in Muslim societies—a task that is arguably equally important to U.S. security in the long run. USAID and its partners need to take account of this tension in all assistance efforts.

A few highlights from each of the studies, intended to spur discussion and provide food for thought:

- The education study points out that “madrassah” simply means school in Arabic. Western journalists tend to equate madrassahs with extremism, but we shouldn’t fall into that trap. Survey data show that many parents in

the Muslim world want a quality education for their children that includes religious instruction as well as the skills necessary for a modern economy—something akin to our Catholic schools. If we choose an approach that only highlights secular education, we will miss a significant portion of the population and construct an educational assistance program that is not as effective as it might be.

- The economic growth study provides a rich assortment of empirical data. Given the historic leadership of predominantly Muslim countries in trade, education, technology, and economic development it concludes that there are no fundamental incompatibilities between the tenets of Islam and the precepts of economic growth. Indeed, the ban in Islam on lending is circumvented in practice by employing fees. Private property, free trade, and corporations are deemed compatible with Islam throughout the Muslim world. Nonetheless, the economic growth study also documents that too many Muslim nations have failed to establish the core elements necessary for modern economic growth. To address these deficits, the study offers specific recommendations.
- The governance study identifies poor governance as the linchpin for deteriorating economic and social conditions and a leading catalyst for extremism. Survey data show that large majorities in the Muslim world favor democracy. Today, most Muslims live under essentially secular governments that have ostensibly pursued a socialist or nationalist path to modernity. Few have been governed well. Therefore, significant numbers seek some form of Islamic democracy as an attractive alternative, arguing that the basic tenets of Islam are fully congruent with democracy.

Where survey data begin to show divergence in values is on newer issues that are still contested in the West, beginning with gender equality and becoming more pronounced when on issues of homosexuality and abortion.

A more elemental divergence between U.S. political culture and Muslim values resides in the relative importance of the individual and community. That Muslim societies value community over the individual suggests that the U.S. instinct to emphasize individual rights may not resonate positively. But a focus on community rights is not incompatible with democracy, as the Western European experience shows. And democracy can embrace many variants, as Europe, North America, and Japan clearly demonstrate.

**James A. Bever**, *USAID Mission Director, West Bank/Gaza*

Eight months ago, USAID began a series of focus groups to learn how well Palestinians understood the services provided them by the United States. Only

about half of them had ever heard of American support for Palestinians. Of those, most thought that USAID works for CARE, Save the Children, or the UN. Most Palestinians believed France is their largest donor, when in fact France doesn't even make the top 10.

This despite the fact that since the 1940s the American taxpayer has paid 25–40% of the budget of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (\$80 million last year from the State Department's Bureau of Population, Refugees, and Migration). USAID has invested billions in the last few years alone in the Palestinian economy and society.

To deal with these misperceptions, USAID launched a public information campaign focused on three themes, areas of community need where the Agency has spent a lot of money: water, health, and education. USAID hired the best marketing firms that operate and sell their products and services to businesses in the West Bank and Gaza, and worked hard on what the messages should say.

The campaign has just begun. It will be carried out in print, on radio about eight times per day, and on television eight times every other day, and will last about a month. The goal is to convey the message that the American taxpayer cares about Palestinians and their future, to balance the perception that all the United States does is provide military aid to Israel. Advertisements do not refer directly to the Palestinian Authority (PA), because it is not universally popular.

USAID is now conducting surveys to see how this information effort is received. If it is successful, the messages are written flexibly enough to be used in Lebanon, Jordan, North Africa, and other Arabic-speaking regions where there is a lack of understanding of USAID.

No amount of slick public relations work will make up for how people perceive U.S. policy. But it will be helpful to inform people about what the United States does in the development arena, since that is also part of U.S. policy.

Palestinians are very proud that the election they had in January was relatively free and fair, and are proud of the municipal elections they've had in the last month. These are the first elections they've had of their own leaders in 30 years. They are proud of the fact that almost 50% of the people who voted were women. They're proud of their 95–97% female literacy rates, and that their parliament challenged Yasir Arafat on a number of issues. They have a story they want to tell, and USAID should help them find ways to tell it.

**Nancy Yuan**, *Vice President, Asia Foundation*

Nearly 70% of Muslims reside in Asia, where traditions are very different from the Arab world because of how Islam came to the region, largely through trade and

commerce. The conflation of the terms Arab and Muslim have been of abiding concern to Muslim populations in Asia. We are constantly reminded in our work that it is important to distinguish between the two.

Since 1954 the Asia Foundation has included religious organizations in its programs to support democratic development, economic growth, and the expansion of the role of civil society in Asia. Religious leaders have played an important role in national development, and are important and influential figures in their communities.

We have found that there are many opportunities to cooperate with religious leaders, NGOs, and religious educational organizations and institutions throughout South and Southeast Asia. Programs of this nature require long-standing and complementary relationships with local partners, and, above all, trust. All of the Asia Foundation's programs predate September 11, showing a long-standing concern for and commitment to Asian Muslim communities, not a newfound interest. Programmatic goals and objectives must be shared, but must also reflect sensitivity to local situations and an understanding of the views of and the risks to local partners.

A word about Indonesia. Indonesia is one of the Asia Foundation's largest programs in Asia, and as the world's largest majority-Muslim nation it deserves some attention. While nearly 90% of Indonesians are Muslim, Islam never fully displaced other religions. There are still large numbers of Buddhists, Hindus, and Christians in the country, which has contributed to pluralism and tolerance in the society. Indonesia is also often overlooked as a rich reservoir for innovative Muslim thinking based on democracy, a vibrant civil society, gender equity, human rights, and pluralism. And it has been Muslim activists and leaders who have been in the forefront of the transition to democracy in Indonesia, where the counterattack against Islamist militancy is not waged by non-Muslims but by Muslims themselves.

Among the most well-known Asia Foundation programs is the Islam in Civil Society program in Indonesia. The Asia Foundation's programs with Muslim organizations in Indonesia started in a significant way in the 1970s—in fact, in earnest when Paul Wolfowitz was Ambassador in the late 1980s—promoting community development, the involvement of religious leaders, and national issues. The Asia Foundation's approach has long been to recognize the central role of Islam in defining the country's political and social identity, and as a primary means of mobilizing public opinion for change. The Foundation has supported programs with both Nahdlatul Ulama and Muhammadiyah, Indonesia's two mass-based Muslim organizations, in good governance, media, women's empowerment, civil society, religious tolerance, educational reform, and democracy.

Three specific examples from Indonesia:

1. One of the programs with the greatest impact was the civic education curriculum developed in the two nationwide Islamic educational systems—the state Islamic system (IAIN), with 46 campuses, and the private Muhammadiyah university system, with 35 campuses. Through this program over 500 teachers have been trained to teach civic education through participatory methods, in courses that are mandatory for all freshmen, introducing concepts of democracy, human rights, religious pluralism, and gender equity to 120,000 students a year.
2. The Asia Foundation also supports media programs to broaden public commitment to pluralism and democracy. Through the Liberal Islam Network it has fostered dialogues on Islam, democracy, and human rights through a weekly call-in talk show on religious tolerance that reaches 5 million listeners a year through 40 radio stations nationwide. *Time* magazine noted that this is the most widely listened-to call-in talk radio show in Asia.
3. In an especially creative use of media, one of the Muhammadiyah youth groups wrapped buses in advertisements promoting an antiviolence campaign.

Another important program relates to elections. What is little known is that Indonesia's large, mainstream Muslim organizations effectively organized themselves to insure the success of the most recent national elections through a massive voter-education and domestic election-monitoring effort, reaching 70 million voters. The People's Voter Education Network (JPPR) is a national network of 30 Islamic and interfaith mass groups that supported 170,000 volunteers, distributed 23 million voter-education books and leaflets, and produced voter-education television and radio programs. In 2004, during both rounds of the first direct presidential elections, the JPPR fielded over 140,000 volunteers, 90% from Muslim organizations.

This effort had two major outcomes: first, establishing free and fair elections in Indonesia for the first time, and second, binding Indonesia's Muslim population to a politically secular process.

A new program funded by USAID in Bangladesh, the Leaders Outreach Initiative, partners with the Imam Training Academy of the Islamic Foundation of Bangladesh, a quasi-governmental agency with the mandate of advancing Islamic values and scholarship and the professional development of imams. Building on previous USAID efforts, this program has three dimensions. It focuses on an orientation program as part of the academy's own curriculum, to introduce imams to national development issues, particularly those addressed by 17 USAID partners; 2,800 imams are expected to participate in this 18-month program at 17 facilities around the country. Also included are regional exchanges in South Asia, and a research study on Islam in Bangladesh, which

will look at the growing perception that Bangladesh is becoming more conservative, less tolerant, and more prone to extremist violence.

In Afghanistan the Asia Foundation is working with Kabul University's women's council, composed of women faculty members from the Faculty of Law and Political Science, Islamic and Sharia Law, to write 10 handbooks on subjects related to women under Islam, including engagement and marriage, custody of children, polygamy, and women's social and political rights. Through a train-the-trainers program books will be distributed to women and women's organizations, to advance their knowledge about women's role in society.

The Foundation has also been working in the Philippines on the code of Muslim personal law, considered the law of the land in Muslim Mindanao. This work has focused on five areas to help women and their communities understand how the code and its implementation can benefit women.

The Foundation further supports regional programs. Expanding South Asian Women's Rights within an Islamic Framework is supported by the State Department and covers six countries in South Asia. It includes conferences for women to join together to share information with other Muslim women from Southeast Asia and compare experiences; provides small grants for local initiatives; and offers translations of works by progressive Muslim organizations in Indonesia and Malaysia into the languages of South Asia.

Finally, the Foundation has helped to establish the International Center for Islam and Pluralism in Jakarta, the region's first center for progressive Muslim thought. The purpose is to disseminate the rich body of authoritative Muslim writings by intellectuals in Indonesia to other parts of the Muslim world, by translating articles and journals from Indonesian into English and Arabic. The Center also aims to build strong linkages and networks through conferences. With a national and international Board of Directors, the Center brings high-profile Muslim thinkers to Indonesia to reinforce progressive thought, has sponsored international conferences, and has become a stop on the itinerary of many international visitors.

The brochures found outside describe the wide range of educational programs supported by the Asia Foundation in Muslim schools in Thailand and the Philippines, and other programs for women's rights under Islam.

**Samah Alrayyes**, *Public Affairs Specialist for Arab and Muslim Outreach, Bureau of Legislative and Public Affairs (LPA), USAID*

Arab and Muslim outreach is an essential component of USAID's broad public diplomacy effort. Communication and engagement with the Muslim world is vital to educate these audiences about USAID's vast work and presence in their countries.

Not many in the Arab world today know about the goodness and generosity of the American people. Not many know that the United States is the world's largest donor of official development assistance, emergency humanitarian relief, and private charitable funding, and the chief source of private financial flows to the developing world, of which the Muslim world is a significant part. USAID has missions in 27 of the 49 countries with populations more than 50% Muslim, and at least half of USAID funding went to predominantly Muslim countries in 2003 and 2004.

A constructive outreach effort communicates the success of USAID's traditional development programs through all appropriate vehicles, including media, events, policies, products, and publications. To bring a better understanding and better knowledge of what USAID does, the Agency communicates directly with Arabs and Muslims, both in the United States and in host countries, about the positive impact of American foreign assistance.

USAID recognizes the importance of engaging Arab and Muslim communities in achieving its public affairs goals. It has been in constant dialogue with Arab and Muslim NGOs that are active, legitimate, and representative of their communities. USAID sees that such groups can serve as liaisons with local communities in the United States, and as bridges to their countries of origin.

Examples of the outreach and communications efforts undertaken by USAID include:

- Administrator Natsios hosted several Iftar meals commemorating the holy month of Ramadan with representatives from the American Muslim community, NGO partners, USAID employees, and members of the diplomatic community in whose countries USAID is present. And the celebration of the holy month of Ramadan is not limited to Washington. Administrator Natsios also does an annual Iftar tour around the United States to discuss USAID programming in the Arab and Muslim world, and asks the audiences he meets to convey his messages to their home nations.
- LPA has aggressively supported direct outreach to Arab and Muslim audiences, by establishing a Muslim liaison and outreach position as well as a Middle East and Middle East Partnership Initiative (MEPI) liaison and outreach position.
- LPA organizes daylong seminars and meetings with Arab and Muslim NGOs and media representatives, to educate them about USAID work in the Arab and Muslim world and to learn from them how to communicate better USAID's messages and work in a constructive partnership.

- USAID invites Arab and Muslim NGOs for policy briefings and exchanges of ideas.
- LPA publishes a monthly Agency newspaper (*Frontlines*), brochures, and reports about the Agency's humanitarian and reconstruction work.

Formerly, USAID had no programmatic, Mission-based communications capability with which to conduct overseas messaging and public diplomacy. The Administrator has fixed this problem in two ways.

1. USAID now mandates that every Mission have a full-time development outreach and communications officer (DOC). The Agency currently employs 48 full-time officers from a wide variety of backgrounds. Many are former journalists, or have worked in public relations or public affairs. They may be U.S. citizens or foreign service nationals depending on the needs of the Mission, the language requirements, and the size and nature of USAID programs. DOCs work closely with the embassy public affairs section, where they can enhance the overall U.S. government message by providing valuable content about USAID's development and humanitarian programs and initiatives.
2. In 2004, USAID developed a standardized training program, under the leadership of LPA, to enable all Missions to carry out outreach and communications functions more effectively.

LPA has also established a program account to fund communications and to work closely with USAID Missions in the Arab and Muslim world. For example, it worked with the West Bank/Gaza Mission on the public awareness campaign described earlier. It provides visibility materials such as soccer balls for children and T-shirts and caps for staff and workers on USAID construction projects, and has engaged Palestinian soccer legend Rifaat Tourk as a Goodwill Ambassador.

On May 8, USAID Jordan started a media campaign, running Arabic-language advertisements in three major newspapers about the Agency's achievements in education. Each ad will run twice, on a biweekly basis.

## **DISCUSSION AND QUESTIONS**

**Mr. Noor Ali** asked Ms. Phillips to elaborate on what core elements are missing in the economic infrastructure of some Muslim countries.

**Ms. Phillips** said the economic growth study shows that despite increasing economic openness in many Muslim countries, the government still has an overweening influence in the economy. This is true to a greater degree in Central Asia—as part of the Soviet Union—but is common throughout the Muslim world. The answer is not necessarily rapid, full privatization, but rather to create

more space for private capital, promote access to private credit, and encourage greater accountability and transparency. The experience of Eastern Europe shows that in the aftermath of communism it is possible to have economies where state-owned enterprises coexist with private ones, so long as private enterprises have access to capital and room to operate.

The economic growth study also highlights the importance of enlisting the help of private charities to maintain a social safety net. GDP growth is declining in many Muslim nations—even in many oil-producing nations—and Islamic charities can play a role in meeting basic welfare needs as economies are liberalized.

Corruption is a pervasive problem. Surveys in many Muslim societies show a strong interest in improving the rule of law and fighting corruption. This is one important area where USAID's interests and those of the people in these societies coincide.

**Mr. Noor Ali** commented that these problems afflict most developing societies, Islamic or not. Some 25 years ago the Aga Khan introduced the notion of an "enabling environment," one predicated on the role of the private sector in development. What governments and regulatory agencies can do is ensure predictability in the rule of law, provide incentives for the private sector to play a more productive role in their countries' economies, and promote indigenous philanthropy. The problems of Muslim nations are the result of political legacies and histories, not their Islamic character.

**Mr. Noor Ali** then asked Ms. Yuan to comment on the impact of September 11 on the work of the Asia Foundation.

**Ms. Yuan** replied that while September 11 affected everyone, and has certainly caused the Asia Foundation to be more conscious of security issues affecting its overseas offices, the biggest impact has been on the Foundation's partners. They are the ones taking the risk, the ones who have to argue with their colleagues about why they do or don't want to take U.S. assistance.

**Mr. Noor Ali** asked Ms. Alrayyes how LPA's initiatives have been received.

**Ms. Alrayyes** said that USAID is very encouraged by the response to its outreach. Many Arab American and Muslim American organizations are coming forward and offering to partner with USAID. LPA is discussing with them how best to work together, using them as USAID's Goodwill Ambassadors. LPA is also trying to bring beneficiaries of USAID funding in Muslim countries to talk about the good things that the Agency has done for them.

**Julius Coles** of Africare made two comments:

- The United States is losing the public affairs war in the Muslim and Arab world. Many conclude that the United States does not have a

comprehensive strategy for dealing with Muslim communities and the Arab world. Karen Hughes must occupy her seat as Undersecretary of State and deal with this problem.

- In the case of the Palestinians, there is a history of broken promises about how much we will help in rebuilding society and reconstructing infrastructure. The level of funding Mr. Bever mentioned will not make a dent in the problem. America has built showcase societies in South Korea, Taiwan, and elsewhere, but it takes massive funding for such efforts to succeed.

**Ms. Alrayyes** agreed that there is not a comprehensive strategy for winning Arab and Muslim hearts and minds. Ignorance about the United States persists in the Arab world; people talk about U.S. policies, but also engage in irrational conspiracy theories. There is also a persistent sense of victimization, and since people can't speak against their own governments they speak against the United States.

Karen Hughes is coming. She may fail and she may succeed. But she has the President's trust, and the President is eager to do a lot in the Middle East.

**Ms. Phillips** added that within the U.S. government, through interagency processes, there have been efforts to develop a more comprehensive, coherent public affairs approach. It is true that the impediments to economic growth mentioned earlier characterize developing nations generally. But the current environment is also characterized by mistrust and tension between the United States and large parts of Muslim populations of the rest of the world. Part of this is due to a lack of understanding, but survey data also point to disagreement with U.S. policies. What USAID can do to ameliorate this mistrust is to assist development in ways sensitive to local norms that will nonetheless change the dynamics in these societies and their relationships to the West over time.

It is also important to note that the U.S. government, like any other, has conflicting interests. For example, goals of stability and democratization can be incompatible in the near term. Thus, we will never achieve a perfectly consistent approach. But people do appreciate the good work the United States does. Positive views of the United States in Indonesia, traditionally friendly to the United States, dropped precipitously after the Iraq invasion, but America's approval rating went back up to almost 50% after the tsunami assistance, because the United States was among the biggest donors. The assistance provided was tangible and well-received. Such good works will not erase the policy differences many have with the U.S. government but can lessen the antipathy that spiked in 2003. How the United States is regarded will depend a great deal on what happens in Iraq and Afghanistan.

**John Sullivan** of the Center for International Private Enterprise disagreed that the solution to the problems of Palestine or other developing countries is to be

found in massive funding from the United States. Capital goes where it is welcome, safe, and can grow. Palestinian banks currently have a lot of money sitting idle because they can't find business opportunities in Palestine to invest in. Foreign aid can be an enabling factor, but neither foreign nor domestic investors will enter a country until the laws and regulatory systems are in place to make capital welcome, effective, and safe.

But it is true, Mr. Sullivan argued, that the United States needs a better public diplomacy strategy. The advertisements presented today are not public diplomacy—the traditional public diplomacy program, run by the United States Information Agency (USIA), was about building understanding about what makes the United States a successful society, what makes its institutions function.

**Ms. Alrayyes** responded that while the advertisements may not be as impressive as the full USIA program, USAID, like any other agency, operates under budget constraints. These advertisements were not expensive, and in a month the Agency will see what influence they have had. Some of the characteristics of USIA-era public diplomacy (such as embassy visits or speeches open to the public or cultural exchanges) are no longer feasible for reasons of security.

**Ms. Yuan** noted that a program called American Corners attempts to replicate in local universities something like the old USIA libraries in embassies. It is incumbent on all those interested in cultural exchange to advocate for expanding Fulbright and similar programs.

**Arnold Packer** of Johns Hopkins said he was surprised that each of today's sessions seemed independent of the others. Outreach to the Muslim and Arab worlds seemed to him integrally linked to both democracy-building and education strategies.

**Ms. Phillips** responded that this panel was asked to speak about outreach, but that education is extremely important, especially what is taught. The key challenge is to bring together education, health, governance, economic development, and outreach in a coherent approach.

**Frank Method** of Research Triangle International commented that it is clear why the discussion of outreach to Muslims focuses on the Arab world and Southeast Asia. But, he argued, if we are concerned about countries where unacceptable numbers of children do not have even minimum basic education opportunities, where there are large numbers of alienated, confused, unemployed, angry youth, weak states threatened by these movements, and religious schools and Islamic organizations filling the gaps of those weak states, then the focus must be on West Africa, the Sahel, and the Horn of Africa. The next source of threats is not likely to be that set of countries where our public diplomacy is currently focused, but from the set of countries currently ignored.

**Ms. Phillips** responded that the studies commissioned by USAID do capture every part of the Muslim world.

**Mr. Grayzel** agreed that too often in these dialogues, Africa and African Islamic movements are not given an equal place. In fact, numerous proposals to work with moderate African Islamic groups have been rejected because they were not seen as fitting into U.S. strategy. As long as U.S. discussions continue to leave out African Muslims, the perception will persist that the United States is only talking to Muslims because awful things happened to us and we are afraid that they will happen again—that we aren't sincerely driven by the wish to have a dialogue.

**Ms. Yuan** added that in Asia, too, the perception is that public diplomacy and outreach are aimed primarily at the Middle East and the Arab world.

**Mr. Noor Ali** commented that given the reality of today, and the fact that the majority of the world's poor are Muslim; perhaps a comprehensive outreach strategy is not possible, because it would continue to be predicated on the notion of Islamic society as a monolith. Perhaps from a development standpoint problems need to be considered regionally, since the problems of West Africa are clearly different from those of Southeast Asia. At the same time, those development problems call for integrated strategies. Outreach is an important element if Americans see it as a dialogue, not as an attempt to make others see us how we want to be seen.

## **BREAKOUT SESSION: TSUNAMI RELIEF AND RECONSTRUCTION**

**Moderator: Michael Nyenhuis, *President, MAP International (ACVFA Member)***

### **Ken Isaacs**

*Director, Office of Foreign Disaster Assistance (OFDA), Bureau for Democracy, Conflict and Humanitarian Assistance, USAID*

The tsunami was unlike any other disaster that anyone has seen. While earthquakes are sudden, the tsunami was so sudden, so devastating, and so widespread that there was a simultaneous crisis in multiple countries.

One of the lessons learned was the ability of USAID to understand that DOD resources were needed, to understand quickly where DOD was making decisions, and to coordinate with DOD to place OFDA staff in the correct positions and offices for the maximum level of influence and integration. OFDA routinely keeps people at the regional combat and commands of DOD; the area of command operation for this disaster was in Hawaii at PACOM headquarters. On the second day after the tsunami, OFDA staff coordinated with appropriate staff at the Pentagon. In the following days USAID/OFDA staff members were

working with the U.S. military leadership at Utapao, Thailand, and with General officers throughout the area of operations.

The Disaster Assistance Response Team (DART) had about 60 people sent from the U.S. mainland so that, with the USAID mission staff already in the field, USAID had over 150 people directly working on the emergency response.

USAID was simultaneously coordinating within the interagency process in Washington, with the USAID Missions abroad and with the U.S. military in Utapao, Colombo, Medan, Hawaii, on the USS *Abraham Lincoln*, and at the Pentagon. Military coordination was facilitated by the placement of uniformed officers within the Response Management Team (RMT) in DC and by having OFDA staff in the military areas where tasking decisions were made. The U.S. military looked to USAID as the lead agency. The entire effort was an agency-wide one with DART members and RMT members being drawn from other USAID bureaus, USAID offices, and USAID field missions.

The magnitude of the U.S. military came into sharp focus during the crisis and amplified the need for USAID to do much more to manage the relationship between USAID and DOD. Although USAID was in the PowerPoint displays at PACOM, and everyone was working from the same instructions, once the USS *Abraham Lincoln* was called into the response (and its officers were dispatching helicopters to the DART team in Banda Aceh) a captain asked, "USAID, what NGO are you?" This is something that still needs to be addressed, even though it had been clearly articulated that USAID was the lead agency, and that DOD was there to support the humanitarian role of USAID.

#### *Assessments*

Assessments are crucial to saving lives and developing an appropriate response. Many people could question whether the international response was too much, in terms of the number of beneficiaries versus the amount of money received, and whether the real needs were being met. Therefore, the quicker we can do accurate and practical assessments and get solid data into people's hands, the better it is for governments, NGOs, and donors. As decisions are made, the more we as a community can help inform those decisions the better off we are. This level of accuracy is then reflected in reporting both within government arenas and to the public at large.

#### *Coordination*

Coordination with the military was vital because they had the heavy resources needed for logistics. Coordination with the USAID Missions, the State Department, NGOs, and USAID Regional Offices was vital to the combined effectiveness of the response.

#### *Relief and development*

From the beginning of the DART deployment (the day of the tsunami), USAID planned on doing development with relief and relief with development, looking at these as a continuum to be done simultaneously rather than relief as a compartmentalized activity to which the Agency would return later for the development phase. USAID/OFDA placed emphasis on livelihoods and putting cash in victims' pockets through creative programming. When disaster victims have access to their own financial resources it has been consistently shown they can more effectively handle their immediate problems.

#### *Rebuilding phase*

The Missions in Indonesia, India, and Sri Lanka are looking at longer-term redevelopment issues. OFDA has positioned Emergency Response Disaster Coordinators (ERDCs) in each country, where they continue to manage the portfolios established during the initial response. There are development people within the Missions to whom USAID is handing over the projects it started.

#### **Nancy Aossey, President, International Medical Corps (IMC) (ACVFA Member)**

IMC is one of many NGOs that responded to the tsunami; it has been operating in Indonesia since about 2000. After the tsunami hit, IMC was in the same position as many other organizations. Although it had teams throughout Indonesia, it had no one in Banda Aceh and did not know the extent of the damage for the first few days.

Mobile teams were sent out of Jakarta in vehicles to Banda Aceh, and they arrived within days of the tsunami. That was difficult because they were teams of local Indonesians, many of whom had lost families. Some of them arrived in towns to look for their families but discovered that not only were their families not there but the towns were not there either.

These teams had responded to the Bali terrorist attacks. Many of them were not only health professionals but also had expertise in mental health, so IMC was able to quickly provide health care in Banda Aceh. Once the extent of the devastation became known, one of the major concerns was public health. In the city of Banda Aceh alone, about 350 organizations arrived, which created a lot of chaos.

#### *Observations and Lessons Learned*

The response was quick and assessment in the early days was critical. There was a great response by the American public and by the U.S. government. The USAID or OFDA DART teams were some of the first to arrive. IMC's experience with DART teams in places like Angola, Somalia, and Rwanda is that they are extremely well organized and staffed by some of the best experts in the country. They go to work right away and they know exactly what to do. They were operating at their finest during a very difficult time.

The same goes for the U.S. military, which quickly set up a logistical system and was able to get water, food, and basic care to people immediately. Over the long term, these kinds of early responses helped a great deal in preventing the things we are not talking about now, which is thousands and thousands of deaths from disease.

The overall compassion of the American public is important to mention. At the time, IMC did not know how much money could be collected for the response. Luckily, USAID was there to support organizations that could carry out the work. President Bush met early on at USAID's offices with operational groups working in the affected areas because he wanted to hear what was happening and what else the U.S. government could do. This was just days after the tsunami, so there was a tremendous outpouring of support by the public and the U.S. government. It was extraordinary because it was so quick and so widespread, and that helped a lot in the beginning.

The assessments carried out in the early days will shape the recovery programs in many ways over the long run. Some of the assessments are still being done. IMC is doing a lot in mental health and with psychosocial needs. When IMC arrived, people were so traumatized that those with injuries were not seeking care even when it was available because they were in a state of shock from having lost everything. These issues will be addressed over the long run through such things as cash-for-work and livelihood programs. IMC is still sorting out the best ways to address these issues by working with local ministries and community groups.

It is very difficult to have centralized, at-a-distance coordination on the ground in a situation like this. You are under tremendous time pressure to save lives if you think people are going to start dying from public health emergencies and to react to what is happening. As a result, sometimes the best coordination takes place with the NGOs on the ground. When you arrive in an area, you see who is there, who is not, and who is going to cover what. IMC collaborated with CARE, Save the Children, World Vision, and other organizations. Since IMC relies heavily on in-kind donations, IMC also worked with Direct Relief International, MAP, and AmeriCares. Some organizations had collected funds and just wanted to help, such as UNICEF and Direct Relief International.

One area for improvement, which is a recurring problem, is the need to strengthen the local UN coordination structures. These structures can play a key role but their ability to react quickly needs to be strengthened over the long run. IMC also heard about clogged supplies at the airport; once groups were able to set up distribution routes this was no longer an issue. A lot of well-intended aid was not distributed because airplanes did not necessarily get the supplies where they needed to be. While working with NGO partners, IMC saw that organizations were keeping in mind the needs on the ground and how they could help bring supplies in. These organizations were providing exactly what IMC

needed rather than just dumping supplies. It came down to the ability to have local distribution networks at the ground level.

**John Lunde**, *Director of International Projects, Mars Incorporated*

Mars is a very large, privately held company. When the disaster struck the Mars operations in the region responded quickly with local donations, which were driven by relationships in the area and a desire to do something to help. Mars has a long history of working with USAID and the U.S. Department of Agriculture (USDA), and on December 30 was asked by the Global Development Alliance of USAID if it would be interested in contributing to a fund to help families affected by the disaster. The dialogue started to build over that weekend and by that Monday the company called USAID to see if it would want \$1 million.

After a number of exchanges, USAID responded that Save the Children would be a good recipient of a donation because it was on the ground already. That seemed to fit all the categories that the company had told its staff about, so by mid-January Mars transferred the funds. At that point, Mars thought it would be supporting the recovery period, but the needs were so great that the funds were used for relief.

The company decided to let the USAID Mission decide how to use the funds. Mars had originally issued a message saying that the money raised would be to help families, and asked if USAID could stick with that. Mars had worked previously with USAID in Africa and Europe, so there was a good feeling about USAID's capabilities, particularly in terms of working with NGOs.

Mars continued to encourage individuals within the company to work with the organizations that were raising funds, but it thought that one collective activity from the company that was targeted and concentrated would be a good gesture at that time. Mars relied on the expertise of the people on the ground to make the main decisions about how the funds should be spent.

**Deborah Kennedy-Iraheta**, *Director, Bureau for Asia and the Near East, Office of East Asian Affairs, USAID*

In the early planning for the reconstruction phase following the relief phase, there was a concerted effort to draw together USAID's experience and history in disaster response.

Five principles were articulated to guide both the relief and the reconstruction effort, and these have held throughout the planning process. They were used as the basis for formulating the supplemental request that the President submitted, and USAID has spoken a lot to Congress about them. Now there is a sixth principle.

1. Using relief to foster rehabilitation. That means starting cash-award programs quickly and using some of the early disaster relief money, including grants and contracts, to help establish microcredit lines, to reestablish businesses, and to put people back to work. USAID has looked at finding different kinds of housing, including transitional, longer-term shelter.
2. Using USAID resources to strengthen host-government leadership. This is a particular challenge because there are so many countries affected with such variable capabilities, including two countries torn by conflict and ethnic rivalries. In Aceh, it was not a question of weak local government authorities but a question of no local government authorities: many of the people you would normally mount a disaster response with simply were not there.
3. Reviving the economy. There was a focus throughout the relief, recovery, and reconstruction on reviving the economy.
4. Infrastructure. USAID decided that, in terms of the damage, transportation and public infrastructure would be a real challenge. You could not hope to revive economies in the short term without investing in infrastructure. Therefore, USAID planned from the outset to undertake some small- and large-scale infrastructure reconstruction.
5. Disaster preparedness and early warning. One story told of an English girl who had just learned about tsunamis. Her parents and the hotel owner believed her when she said that when the tide pulls out it means there is a tsunami coming. They evacuated the hotel and the hotel population was saved. It was because that little girl had the knowledge and people listened to it. Looking at tsunami-ready communities in the United States, the impact of education is very clear. When you have early-warning systems, it is an enhancement, but there is a combination of things that could help make these communities better prepared, and USAID wanted to play a role in that.
6. Collaboration with private voluntary organizations (PVOs) and the private sector. The sixth principle that has emerged is how to adapt and work collaboratively with PVOs, which USAID has traditionally worked with, and also work closely with corporations and the private, for-profit community in structuring programs and engaging them in longer-term reconstruction, not just in the relief phase.

For the last four months an interagency team of about 20 U.S. government agencies has been trying to develop a plan of action for responding to the reconstruction needs. Congress approved the supplemental request in early May. Excluding the reimbursement to DOD and the support for the expansion of

the U.S. early-warning system that will benefit the United States and other countries, it provides \$656 million in relief and rehabilitation. Of that amount, \$25 million is earmarked for the avian flu program, leaving \$631 million for the reconstruction program.

USAID plans to use about half of those resources to address the infrastructure reconstruction needs. Another 20% will be used for the relief phase to reimburse the International Disaster and Famine Assistance account, which has financed both the relief operations and the start of some of the reconstruction activities. Approximately 20% will be used for transition activities—helping individuals transition from temporary lodging or shelter arrangements into more permanent communities. About 6% is for technical assistance and early warning, and less than 4% is for administration at the State Department, including the added costs of providing support for Thailand's victim identification. Work is still being done on country allocations. Because of the variable impact, Indonesia will benefit most significantly from the supplemental, followed by Sri Lanka, and other countries will also receive some assistance.

### *Challenges*

In terms of reconstruction, staying true to the principle of supporting host-government leadership and host-country policies will be the most difficult challenge. Many of the PVOs are already frustrated about the centralization of decision making and slow-moving government actions. There are concerns about the policies regarding no-construct zones in Sri Lanka and concerns in Indonesia about what rules will govern PVO operations there. It will be a challenge, requiring NGOs to have a consistent message before government authorities. It will require the U.S. government and the Ambassador to continue to push hard. In the case of the no-build policy in Sri Lanka, USAID is trying, for example, to lend some technical advice to help influence policymakers and to include NGO actions in the plans. There is a strong consortium of NGOs on the ground in Sri Lanka trying to press the government to reexamine its current policies.

Early warning will be another issue where there will be problems maintaining the host-government leadership principle. There were great hopes that a regional system would develop but it looks like it will be a series of linked national systems. USAID is continuing to work through the Intergovernmental Oceanographic Commission of UNESCO with the governments of 27 countries that would be impacted by the design of an Indian Ocean early warning system, but trying to get them to agree will be difficult.

Another challenge will be using relief to mitigate and address tensions in the conflict areas in both Sri Lanka and Indonesia. USAID is hopeful that, as some of the infrastructure reconstruction programs are done, there will be opportunities for bringing together people from diverse ethnic or community groupings who will

see that they have more in common and fewer differences than they presently appreciate.

Engaging the private sector to address the medium- and longer-term challenges of development will be a challenge. Cooperation is somewhat easier during relief when there is a clearly defined need, but developing a partnership that spans a longer time frame to work on more complex systems will test some of the systems at USAID. It will require USAID to be a little more understanding and mindful of corporate decision making.

Accountability is another challenge. A couple of countries do not situate favorably on the list for transparency and combating corruption. USAID will have to find and support mechanisms that will increase private sector and local community involvement in decision making and their efforts to monitor and provide transparency and public accountability for resources—both those that the U.S. government provides and those that other countries provide to host governments.

## **DISCUSSION AND QUESTIONS**

**Mr. Nyenhuis** asked about coordination and the importance of informal coordination.

**Ms. Aossey** replied that coordination is one of the things asked about most. In the first few weeks, it would be nice if you had a master plan, a master database, and some master way to communicate. Everything would work perfectly if you could go in and follow this framework. Of course, that is never the case. Typically, when you arrive at a natural disaster you look at what the needs are based on the assessment and who is there. With so many organizations arriving in Banda Aceh, IMC sought operational players it knows and with whom it has worked. Much of the informality stems from who happens to be there, and you start working together immediately. It may be informal, but it is very important in the beginning.

The key is that you always have to be on the ground because you cannot rely on any communication system being in place. It is hard enough to communicate within the country let alone externally.

**Mr. Isaacs** responded that when speaking about informal coordination, everyone generally knows the direction in which to go. Then when looking at development from the relief continuum, strategizing comes into the equation. This is how we were able to integrate activities in one arena, with everyone doing their own thing but working together.

It is important to reach out from Washington to other agencies, whether NGOs or government agencies, throughout the interagency process. The information that

OFDA and USAID have about who will be there, who will participate, and what they anticipate doing is very important.

The UN coordination overall was not what it needed to be. USAID staff members were placed with the UN Office for the Coordination of Humanitarian Affairs (UNOCHA) but UNOCHA did not have the logistical capacity to get there soon enough and lacked adequate personnel capacity once it arrived. The response capacity of the UN during sudden disasters needs to be greatly improved.

**Norman Rifkin**, USAID's Senior Education Advisor for Iraq, commented that decentralization is extremely important in a situation like this. He was in Banda Aceh recently and found that the local personnel were either fearful of taking action or not able to take action, and there was no visible government coordination.

The government decided not to put the schools where they used to be and to move the people inland. The people were mostly those who earned their income from the sea and wanted to be near the sea. We like to encourage community involvement in schools, but how do you get communities to support schools that aren't where communities want to be and where they want schools to be? This was a government and coordination problem and it impaired the work of many good organizations.

**Ted Weihe, ACVFA Member**, noted that USAID is contemplating building a road in Indonesia and asked whether the Agency will look at other types of infrastructure that might be quicker, smaller-scale, and also be integrated with the recovery effort.

**Ms. Kennedy-Iraheta** replied that the road has gotten a lot of attention, but that it is not all of the infrastructure USAID is considering. In Indonesia, USAID is contemplating the reconstruction of a major highway that is a critical transportation link for bringing in heavy supplies to rebuild Banda Aceh as well as other communities along the coast. A large amount of resources is also dedicated to small-scale infrastructure and community-level grants.

USAID is hopeful that the U.S. Trade and Development Agency, as it supports tsunami reconstruction, will also help to draw in U.S. industries and facilitate some of the other investments in infrastructure. The Asian Development Bank has established a large fund for financing infrastructure; and the government of Indonesia will also finance infrastructure through its trust fund, to be co-administered with the World Bank.

**Mark Edington** of Save the Children asked about steps being taken regarding accountability and delivering results, adding that the media has thus far been a friend and enabled many organizations to raise significant funding, but this might change.

**Mr. Isaacs** responded that the friendship between the press and the NGO community is a two-edged sword and can cut either way. It is easy to make the case that there are many areas of the world that have not gotten this level of response. The tsunami is like the perfect disaster: the day after Christmas when everyone is feeling warm and charitable, graphic footage was shown over and over again, and it became in some sense an international bidding war about who could help the most.

In Sri Lanka a CNN reporter remarked to him that, "We're here now looking at the need, but we'll be back in six or nine months to see what all these groups did with all this money." The donations, both private and government, are a tremendous amount of money. There has been so much money collected and received that some NGOs and IOs will be required to fundamentally change the nature of their organizations such that they become longer-term groups that undertake more comprehensive development activities. They will have to retool themselves in such a way as to engage these resources. As a humanitarian community, and a relief and development community, we all have a stake in seeing that the resources are used to the fullest extent.

**Ms. Aossey** responded that, in January, President Bush opened a meeting at USAID with a group of operational agencies that were on the ground by saying, "I know that there is a lot of tragedy right now. We want to do our part, we will do our part, but I know that you are also thinking about Sudan. I want you to know that the U.S. government is committed to making sure that we don't ignore the other emergencies."

During the period when a huge amount of money was pouring in, IMC was also thinking about all the other places it was working and struggling to make ends meet. IMC is not a household name and it did not receive the tens of millions of dollars that others did. A lot of this is about managing expectations. Organizations did not know how much money they would receive. It's not easy to say, "Stop sending us money." In fact, a number of them stopped fundraising because they knew they were reaching unprecedented levels and they wanted to be responsible. Many organizations quickly began to talk about being there for long-term recovery, rehabilitation, and development.

**Ms. Kennedy-Iraheta** also commented on managing expectations. The implementing organizations have to carefully judge whether it is more important to rebuild if the rebuilding is in the wrong place. In Sri Lanka, should you rebuild in the new land that has been acquired or should you negotiate with the government to get land where the families who will benefit want those houses rebuilt? Where should you rebuild schools? This is about not rebuilding things as they were, but rebuilding better. And to rebuild better, you have to take more time. This message has not come out in the press and it will require talking to members of the press about the real challenge ahead.

**Mr. Isaacs** noted that the supplemental money from Congress is not here yet; OFDA “borrowed” money from its own budget for the third and fourth quarters of the year. Mars Corporation is to be applauded for making its donation right at the beginning of the response when it was truly being used to save lives. Private donations across the country were also crucial in terms of saving lives.

**Mr. Lunde** responded that Mars has had some very good partnerships with USAID and USDA, but this situation was different. Mars felt it needed to rely on USAID expertise and knew that its gift was a lead-by-example kind of thing. The company decided to do it quickly to potentially help USAID stimulate Congress and other corporate donors to step forward.

There are risks and challenges to bringing in the private sector. In business, there are contingencies; you have to make things happen, so people tend to push. But public-private partnerships can work. The big thing is developing trust, getting coordination, and getting people together. Mars has been proud to be part of this.

**A participant** asked about the care of team members who underwent extraordinary amounts of stress.

**Mr. Isaacs** responded that stress not only comes from being where there is huge devastation, death, and suffering, but also, for the RMT and other DC-based positions, from working 16 hours a day, seven days a week. The Agency is aware of this and has taken measures to inform staff about stress and coping mechanisms and to make other avenues open to staff if they need encouragement or to talk to someone.

**Dennis Stuessi** of PACTEC (Partners in Technology International) asked if there is a resource available on the lessons learned. PACTEC was on the ground in Indonesia but its response – with technology, communications, and aviation – was not all that rapid; it could have done better. A resource on lessons learned may be useful because the more contingency planning smaller organizations can do, the better equipped they will be to respond the next time.

**Mr. Isaacs** responded that OFDA has created a 15-20 page “lessons learned” PowerPoint display on the tsunami, which will be given to InterAction to share.

**Christopher McGahey** of International Development Enterprises asked about the corporate expectations that Mars had regarding its donation.

**Mr. Lunde** replied that Mars has had minimal interactions since the donation and has not asked for a lot of feedback or documentation.

**Tim Flanigan, ACVFA Member**, commented that, while the story of the tsunami is very hopeful, there now are huge amounts of resources that various NGOs would rather not spend on such a small, concentrated area, and those resources could be used much more efficiently elsewhere. He asked if it would be possible to set up a tsunami fund to help disaster victims in other situations. Perhaps the monies that were originally designated for tsunami relief could be spent to help many more people.

**Ms. Aossey** responded that this is something that many organizations are struggling with. How much money do you put into an area and how much beyond their former situation do you help them? Not every NGO is in the same position. Some organizations do not have enough in key operational areas and others have more than they ever expected. The operational or implementing NGOs take this issue extremely seriously. They know that there is a public trust issue. Some have said that if they think they cannot use it effectively, they will go back to some of their donors about other places they might want to use it. She does not believe that it will be used in an irresponsible way.

**Mr. Isaacs** humorously stated that USAID does not have a surplus of money in this situation. Médecins Sans Frontières shut off fundraising in the first week of January. The American Red Cross shut it off by the second or third week of January. UNICEF's combined appeal for the tsunami was significantly exceeded. It was actually a tsunami of fundraising, and it will be a big challenge for organizations to program this money.

It is possible that organizations will seek alternative ways to redesignate that money, with their donors' approval and within the confines of what is legal, if they cannot effectively program it. Most of the organizations are very experienced and know about the inadvertent impact that too much aid can have.

**Mr. Edington** responded that, for once, organizations are in the unique position to have enough money to do what they need to do, and any responsible organization is looking at spending it over a number of years. Save the Children is planning to spend its tsunami donations over five years.

**Dr. Flanigan** responded that the expectation was that the suffering and death following the tsunami would be extraordinary, particularly from disease. A multipartnership group – military, private, government, and incredible generosity – stepped in, which is phenomenal. Now the question is: are there creative ways that those resources might be deployed, either in the tsunami-stricken areas or other areas, which might give greater long-term benefit?

**Mr. Nyenhuis** responded that those who work around the world are in agreement that there is lots of need and there are places where we cannot get enough resources to do what we want to do. That should not take away from the

encouragement to have the resources in the tsunami case to do what we want to do. It just has to make us work harder to get resources elsewhere.

**Ms. Aosse**y added that donors can be asked to unrestrict the money; IMC has done that previously in famine situations when the famine suddenly ended. Underfunded areas are a different problem. If other areas are underfunded, that does not necessarily mean that there is too much money to spend on the tsunami in the long run.

## **COMMENTS TO THE RECONVENED SESSION**

**Mr. Nyenhuis** highlighted two issues from the tsunami relief discussion panel.

1. *Coordination.* There were 350 groups in Banda Aceh in the first few weeks, and the UN coordination system didn't work well. Even within the U.S. government efforts were not always well coordinated. What was most important, especially in the first stages of relief, turned out to be informal coordination, cooperation between people based on prior relationships. The panel discussed how to strengthen these informal ties, to help people form relationships before a crisis hits.
2. *The relief-to-development continuum, and the need for long-term development objectives to inform relief activities.* Donors gave more than enough money for the relief period. Some of that money will be used for rebuilding and reconstruction over as much as the next five years. If donors expected their funds to be used for immediate relief, there may be an accountability problem if they are not adequately informed about the importance of reconstruction work.

**Dan Norrell** of WorldVision commented that the panel touched more than once on the weakness of the UN coordination system. ACVFA might recommend to the Administrator that USAID find a way to help UN Operations improve its coordination function. This will be particularly important in future cases where the host government is less friendly toward the United States than was the case in Indonesia.

**Sonali Arseculeratne** of Aid to Artisans asked whether there was a conscious effort to involve communities themselves in reconstruction, so that they are not merely dependent on donor funding.

**Mr. Nyenhuis** replied that the panel discussed the need for host country leadership in long-term rebuilding efforts, but otherwise the topic was not addressed. In his personal experience, though, he said, he has seen great efforts to look to communities to make decisions and define their own needs.

**Christopher McGahey** of International Development Enterprises noted that informal networks are a great help to those that belong to them, but that for organizations that do not belong it can be very difficult to enter into planning and coordination.

**Mr. Nyenhuis** responded that the goal must be to strengthen informal networks and expand them to include more members.

**Mr. Noor Ali** highlighted several issues from the panel on outreach to the Muslim and Arab world.

- Islamic societies are highly diverse.
- Ignorance exists on both sides: Islamic societies need to be given a better understanding of America and American values, and Americans need to better understand Muslim societies.
- Muslim countries' problems have more to do with their histories and developmental problems than with their faith. The panel and the audience discussed the importance of economic growth in this regard and the role of the private sector, as well as the importance of education and in particular good governance. Outreach must be part of an integrated approach that includes all these facets.
- Outreach must be seen as a dialogue. As James Bever said, if outreach is seen as a slick PR exercise, it won't work. It must be supported by substance.
- September 11 has affected the work of people on the ground. Grantees and subgrantees bear a greater risk as representatives, in the public's eyes, of U.S. foreign policy. The Asia Foundation discussed how those risks have been managed and minimized through further dialogue.
- While it is important to recognize the particularity of Islamic countries as being the poorest among countries, containing the highest number of poor and perhaps illiterate people, a comprehensive approach to the Islamic world would take us back to thinking of Muslim societies as a monolith. Perhaps we need to think of these societies on a regional basis.
- In that sense we should in particular focus on Africa, as much of our current focus is on the Arab Middle East and Africa is getting lost.

**Mindy Reiser** of Synectics noted that discussion included regret for the demise of USIA, and hope that some of its better elements could be reinstated.

**Mr. Reese** responded that many of those programs do still exist as part of the State Department. USAID should think about how they can be made most useful in the current context.

**Stephen Moseley, ACVFA Member**, asked Mr. Noor Ali for his views on how best to relate education to the promotion of democracy.

**Mr. Noor Ali** replied that true democracy occurs when people have choice and they have a voice, and that people's choices expand when they are better educated. Their economic choices expand when they can take advantage of new opportunities. When you work with organizations at the grassroots level to instill the discipline of social organization, people begin to have a voice in their own affairs.

Then, when these village organizations become more powerful and educated, they begin to make demands on the government at the local and district levels, which then leads to a more efficient use of resources. Governments do have resources for agriculture and education for rural communities, but they are often misused until people start to demand they be used properly.

The value of education is well known. But education is not just about promoting literacy. It is about ensuring quality education, and education beyond the secondary level. When donor countries and agencies focus only on primary and secondary education, they imply that these societies do not have a need for higher education. We need to recognize the value of higher education to making citizens of these countries full-fledged world citizens.