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

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. Experience shows that democracy promotes accountable and effective governance, which in turn is essential for development.
3. Democracy addresses a root cause of political extremism and international terrorism, and as such enhances national security.

Specifically, the Agency aims to:
- Expand political freedom and competition.
- Promote justice and human rights through the rule of law.
- 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.

In FY2002, the year that included September 11, USAID’s budget in Democracy and Governance was $670 million. In FY2004 the total budget outside of Iraq
and Afghanistan came 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.

To tailor a strategy to each country the Agency uses an 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.

Competition
Do state and society encourage peaceful competition? USAID helps administer multiparty elections, and encourages robust democratic political parties and nonpartisan 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? USAID promotes universal suffrage and political participation, the strengthening of civil society, the decentralization of political and economic power, and access to justice.

Good Governance
Do the public institutions of society—state and non-state—work as they should? USAID helps strengthen executive branches, legislatures, civil society, and the security sector, and has issued a new overall anticorruption strategy.

DISCUSSION

As the National Security Strategy of 2002 says, America is no longer threatened primarily by powerful, aggressive states but by failed states. 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 (DARTs). It is now reorganizing to allow USAID to extend into the field more rapidly the developmental power of humanitarian offices in the Bureau of Democracy, Conflict and Humanitarian Assistance (DCHA). 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.

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. Improving comprehensive early childhood care and education.
2. Ensuring that by 2015 all children have access to primary education.
3. Ensuring that the learning needs of all young people and adults are met.
4. Achieving a 50% improvement in levels of adult literacy by 2015.
6. Improving all aspects of the quality of education.

USAID took on the co-chairmanship of the Fast Track Initiative donor movement to accelerate action on EFA, and over the past year has helped make that initiative a locus of effective coordination in finding creative, innovative in-country mechanisms.

The USAID Education Strategy has two basic components:

1. Basic education, 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.

2. “Beyond” basic education, including higher education, workforce development, and participant training.
The Strategy articulates as major USAID objectives access to education for 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.

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

- A sector-wide approach, one all governmental and non-governmental partners can agree to.
- Greater efficiency.
- Sustainability, meaning the economy must expand as rapidly as the education system draws resources.
- Collaboration.
- Innovation.
- Allocation of resources to countries with clearly demonstrated commitments to education designed to sustain continued development.

Pursuing these goals in education can help USAID further its aims in other core areas, such as security and stabilizing fragile states. The Agency’s next step will be to disseminate the Strategy and make it operational.

DISCUSSION

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. Helping women farmers in Africa has a salutary effect on their ability to send their children to school. 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. It will be impossible to get girls into school without dealing with the various effects of ill health and with the amount of labor required of women to carry water and prepare food.

Ministers of education are often afraid to expand their teacher pools, because then they face recurrent costs they cannot meet if they receive less aid from donors. The fast-track initiative emphasizes in-country coordination and careful planning by ministers.

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
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 each year to train 50 teachers from disadvantaged and indigenous groups who want to teach in their home areas. In the future, the Agency aims to provide training for school administrators as well.

2. USAID fosters joint research partnerships between U.S. and Mexican universities. TIES issues an annual call for proposals, depending on USAID’s interests. 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 the partnerships periodically to insure that research projects are meeting their goals.

The expectation is that the partnerships will continue after the program is over. USAID’s annual conference of project partners in June 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.

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.

2. USAID funds have always had, and have even more today, the chance to leverage dramatic and innovative reform. Each dollar from an outside aid
agency has the chance to 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. 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.

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.

8. It will not be possible to reach the goals we’ve set without a dramatic increase in investment and innovation.

9. The amount of U.S. participation, while growing, is only back to 1995 levels. 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.

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 to development and 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:
• A strategic plan is an opportunity to advance discussion, and while the document is aligned with EFA and other education initiatives, it does not adequately 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 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 non-governmental organizations (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 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. USAID must help the developing world build universities and centers for the study of literacy.

• When we talk about improving education, we have to pay attention to building demand for education.

• The Strategy does not adequately address the issue of providing access to print.

DISCUSSION

The Strategy describes test scores as the “main source of insight into educational quality in different countries.” While more testing is necessary, testing is not necessarily the only avenue to understanding the quality of education. USAID 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. 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? The quality of inputs—curricula and teachers—can also be measured.
The education field could well have $800 million to $1 billion in funding in the future. 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. 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. USAID can partner with ministries to enable long-term investment planning and design to jump-start innovation. Often, providing 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.

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.

While the United States should not write curricula for anyone, it can encourage and aid ministries that might not otherwise have the necessary capability. 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.

There is enormous funding in the Fulbright Scholar Program and other scholarship exchange programs in the State Department, the Department of Energy, and elsewhere. The Agency might coordinate with these programs, to try to involve their graduates in follow-up training. While investment within USAID for long-term external training has decreased, investment in in-country training has increased dramatically. 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.

USAID might also investigate ways to bring together its Bureaus to ensure adequate collaboration across sectors, perhaps through a Global Development Alliance (GDA) mechanism. Such a cross-sector approach is desperately needed in the area of HIV/AIDS.

While of course USAID hopes for increased funding, primarily the hope is 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.
Today the challenges of education 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 those countries with difficult choices. The Strategy provides the flexibility to build on countries’ own models.

The Strategy is not likely to alter USAID’s programs in Mexico.

An ACVFA Member commented that true democracy occurs when people have choice and they have a voice, and 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 in turn leads to a more efficient use of resources.

BREAKOUT SESSION: ARAB AND MUSLIM OUTREACH

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

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. 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.

2. More importantly, there is suspicion of the intent of that assistance. 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.

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

September 11 and other extremist attacks show that we need to better understand the dynamics, including grievances, at work in many Muslim
societies. They also demonstrate that globalization does not mean homogenization: that knowledge of traditions, language, and culture is as important as ever.

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.

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. That said, the real tension between U.S. security objectives and outreach efforts needs to be addressed. USAID and its partners need to take account of this tension in all assistance efforts.

A few highlights from each of the studies:

- 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. If we choose an approach that only highlights secular education, we will miss a significant portion of the population.

- The economic growth study concludes that there are no incompatibilities between the tenets of Islam and the precepts of economic growth. It also finds, however, that too many Muslim nations have failed to establish the core elements necessary for modern economic growth. Despite increasing economic openness in many Muslim countries, the government still has an overweening influence in the economy, especially in Central Asia. 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 economic growth study also highlights the importance of enlisting the help of private charities to maintain a social safety net.
• The governance study identifies poor governance as the linchpin for deteriorating economic and social conditions and a catalyst for extremism. Corruption is a large part of the problem.

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. Most Palestinians believed France is their largest donor, when in fact France doesn’t even make the top 10.

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 will 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. 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.

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. Programs of this nature require long-standing and complementary relationships with local partners, and, above all, trust.

Among the most well-known Asia Foundation programs is the Islam in Civil Society program in Indonesia. 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.

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. The Asia Foundation also supports media programs to broaden public commitment to pluralism and democracy.

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. 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. 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. 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.
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 risks, the ones who have to argue with their colleagues about why they do or don’t want to take U.S. assistance.

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.

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. Administrator Natsios also does an annual Iftar tour around the United States to discuss USAID programming in the Arab and Muslim world.

- LPA has established 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.

• 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).

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.

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.

DISCUSSION

A participant commented that the United States currently lacks a comprehensive strategy for dealing with Muslim communities and the Arab world. Panelists agreed. Within the U.S. government, through interagency processes, there have been efforts to develop a more comprehensive, coherent public affairs approach. But the U.S. government, like any other, has conflicting interests. It will never achieve a perfectly consistent approach.

One participant commented that massive funding is needed to reconstruct the Palestinian economy. Another disagreed, arguing that 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.

A participant commented that 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. 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. But 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.

Many agreed that too often in these dialogues, Africa and African Islamic movements are not given an equal place. It is in Africa that we find 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. 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.

Unfortunately, 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.

In Asia, too, the perception is that public diplomacy and outreach are aimed primarily at the Middle East and the Arab world.

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.

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

One of the lessons learned was the ability of OFDA and 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.

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.

Assessments
Assessments are crucial to saving lives and for developing an appropriate response. The quicker that accurate and practical assessments can get solid data into people’s hands, the better it is for governments, NGOs, and donors.

Coordination
Coordination with the military was vital because the military 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.

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 has been operating in Indonesia since about 2000. 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. IMC sent mobile teams out of Jakarta in vehicles to Banda Aceh, and they arrived within days of the tsunami. The teams consisted 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.

It is very difficult to have centralized, at-a-distance coordination on the ground in a situation like the tsunami. There is tremendous time pressure to save lives, particularly if there are public health emergencies. As a result, sometimes the best coordination takes place with the NGOs on the ground. However, local UN
coordination structures and the ability of those structures to react quickly need to be strengthened. This is a recurring problem.

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

Mars is a very large, privately held company and has a long history of working with USAID and the U.S. Department of Agriculture (USDA). On December 30, Mars 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. After some internal dialogue, the company called USAID the following Monday to offer $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. Mars thought it would be supporting the recovery period, but the needs were so great that the funds were used for relief.

**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. Now there is a sixth principle:

1. **Using relief to foster rehabilitation.** In addition to cash-award programs, some of the early disaster relief money, including grants and contracts, was used to help establish microcredit lines, to reestablish businesses, and to put people back to work.

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.

3. **Reviving the economy.** There was a focus throughout the relief, recovery, and reconstruction on reviving the economy.

4. **Infrastructure.** Reviving economies in the short term requires investment in infrastructure, particularly transportation and public infrastructure. Therefore, USAID planned from the outset to undertake some small- and large-scale infrastructure reconstruction.
5. Disaster preparedness and early warning. Education and early-warning systems can help communities be better prepared.

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 and with corporations and the private, for-profit community to structure programs and engage them in longer-term reconstruction, not just in the relief phase.

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 measures. 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 PVOs are 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 also be a challenge to maintain the host-government leadership principle with regard to the issue of early warning. There were great hopes that a regional system would develop but a series of linked national systems appears more likely. USAID is working through the Intergovernmental Oceanographic Commission of UNESCO with the governments of the 27 countries that would be affected by the design of an Indian Ocean early-warning system, but it will be difficult to get them to agree.

Another challenge will be using relief to mitigate and address tensions in the conflict areas in both Sri Lanka and Indonesia.
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 will test some of the systems at USAID.

Accountability is another challenge. USAID must find and support mechanisms to increase private sector and local community involvement in decision making and efforts to monitor and provide transparency and public accountability for resources—whether provided by the U.S. government or other donors.

**DISCUSSION**

A panelist noted the importance of informal coordination in disaster relief. Since there is never a master plan, a master database, or a master way to communicate, informal coordination can play a significant role, as it did in Banda Aceh where so many organizations arrived to help. Those organizations that knew each other and had worked together previously started to work together immediately. Knowing which organizations will participate and what they anticipate doing can be useful information for OFDA and USAID to have in terms of assisting coordination.

Another panelist discussed the infrastructure projects that 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. Significant resources will also be dedicated to small-scale infrastructure and community-level grants. USAID hopes that the U.S. Trade and Development Agency, as it supports tsunami reconstruction, will also help to draw in U.S. industries and facilitate other investments in infrastructure.

The role of the media in helping to raise funds for tsunami relief and issues of accountability and delivering results will have an ongoing impact on tsunami relief and reconstruction. The friendship between the press and the NGO community is a two-edged sword that can cut either way. Coverage of the tsunami has helped to raise a great deal of money, but the press will also return to see how the money has been used. Moreover, so much money has been collected by some organizations that it will fundamentally change the nature of those organizations. They will have to retool themselves to engage these resources. A number of organizations stopped fundraising because they knew they were reaching unprecedented levels and wanted to be responsible. Many organizations recognized the need to manage expectations by shifting from a focus on relief to long-term recovery, rehabilitation, and development.

A participant asked if it would be possible to set up a tsunami fund to help disaster victims in other situations, where it might provide greater long-term
benefit, since various NGOs would rather not spend the large amounts of money that have been raised on such a small, concentrated area.

The panelists agreed that there was a tsunami of fundraising and that this creates a public trust issue, but not every NGO is in the same position. Some organizations do not have enough resources in key operational areas and others have more than they ever expected. Those with more resources may approach their donors about redesignating that money. Most of the organizations are very professional and know about the inadvertent impact that too much aid can have. For once, however, organizations are in the unique position to have enough money to do what they need to do, and they will spend it over a number of years.