Meeting Report

Public Meeting – October 1, 2003
Public Meeting

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Table of Contents

Welcome and Introduction: William S. Reese, ACVFA Chair ..........................................................1

Percy Amendment Anniversary Session .........................................................................................1

Opening Remarks: Julia Taft, Assistant Administrator and Director, United Nations ...............1
Development Program, Bureau for Crisis Prevention and Recovery

Panel Discussion: ..........................................................................................................................3
"Gender Integration in Development Programming: Successes and Challenges"
Moderator: William S. Reese, ACVFA Chair

- Alfredo Sfeir-Younis, Senior Advisor, Office of the Managing Director, .........................3
  World Bank Group

- Emmy Simmons, Assistant Administrator, Bureau for Economic Growth, ......................5
  Agriculture and Trade, USAID

- Phil Evans, Senior Social Development Advisor, UK Mission to the UN and Chair, .........7
  Network for Gender Equality, Development Assistance Committee, Organization
  for Economic Cooperation and Development

- Ann Claxton, Director, International Program Development, World Vision/U.S. ...........8

Keynote Address ..........................................................................................................................10
Andrew S. Natsios, Administrator, U.S. Agency for International Development

Questions and Answers ...............................................................................................................12

"Iraq Reconstruction: Progress to Date".......................................................................................13
Ross Wherry, Senior Reconstruction Advisor, Economic Governance Team Leader,
USAID

Questions and Answers ...............................................................................................................14

Panel Discussion: ..........................................................................................................................16
"Post-Conflict Reconstruction: Strategies for Improving Our Work in Post-Conflict
Environments"
Moderator: George Folsom, ACVFA Member

- Ray Salvatore Jennings, Senior Fellow, U.S. Institute of Peace .................................16
Elizabeth Kvitashvili, Acting Director, Office of Conflict Management ........................................17
and Mitigation, USAID

Ronald W. Johnson, Senior Vice President, International Development Group, ....................19
RTI International

Judith Hermanson, Vice President, CHF International ...........................................................20

Questions and Answers ...........................................................................................................22

"Update: The Millennium Challenge Account/Millennium ..................................................23
Challenge Corporation"
Patrick Cronin, Assistant Administrator, Bureau for Policy and Program Coordination, USAID

Questions and Answers ...........................................................................................................24

"Update: The Emergency Plan for HIV/AIDS Relief" .........................................................25
Anne Peterson, Assistant Administrator, Bureau for Global Health, USAID

Questions and Answers ...........................................................................................................26

Annex 1: Meeting Agenda
Annex 2: Participant List
Annex 3: Slide Presentation by Andrew S. Natsios, USAID Administrator
**OPENING REMARKS: William S. Reese, ACVFA Chair**

William S. Reese, ACVFA Chair, welcomed the ACVFA members, the U.S. Agency for International Development (USAID) staff, and the meeting participants. Mr. Reese presented a brief overview of the day's agenda, which included updates on two Presidential Initiatives, the Millennium Challenge Account and the Emergency Plan for HIV/AIDS Relief. He noted the timely discussions of post-conflict reconstruction in Iraq and Afghanistan, and reminded the audience that post-conflict reconstruction was a priority of USAID Administrator Andrew Natsios well before the Afghanistan and Iraq conflicts. The meeting agenda and list of participants are Annexes 1 and 2, respectively.

Mr. Reese remarked that the lead topic of the meeting, the Percy Amendment, was especially timely and significant. The role of women in development and the gender considerations that are critically important for effective development have been a constant concern of ACVFA for the past twelve years. He said that it is a fitting time to look back over the past thirty years, assess what has been accomplished, and more importantly, what still needs to be done to ensure gender equality in development.

Mr. Reese shared excerpts from a letter addressed to the ACVFA from Sharon Percy Rockefeller:

"The efforts that you and your organization have made in the last three decades have repeatedly validated the truths behind the Percy Amendment. Visionary leaders, from Secretary General Kofi Annan to former President Jimmy Carter to Queen Noor, have embraced these principles and advocated them around the globe. Gradually, yet undeniably, the message is getting through.

"Throughout his life, my father was a confirmed internationalist. He remains so to this day, seeing the uplifting of struggling peoples as a requirement for peace and prosperity of all nations. The enfranchisement and empowerment of women is essential to this effort. My father has always felt that where women thrive, so does all of mankind. Thus, your efforts not only honor my father and his vision but all of humanity."

Mr. Reese introduced Julia Taft, the lead speaker for the Percy Amendment session. He noted that she is an exceptional leader and former ACVFA member. Mr. Reese suggested that the meeting participants take time to read the biographical information for all of the speakers on the agenda.

**PERCY AMENDMENT ANNIVERSARY SESSION**
**Opening Remarks: Julia Taft, Assistant Administrator and Director, United Nations Development Program, Bureau for Crisis Prevention and Recovery**

Ms. Taft opened her remarks by commenting that the session celebrates an incredibly powerful idea -- that women are essential to promoting development and must be included as recipients of aid and involved in decisions that affect their lives in the political, social and economic environments. Ms. Taft stated that when Senator Percy introduced the legislation in 1973, it
seemed like a revolutionary act. However, she noted that it has taken a very long time to get this far, and there is still a very long road ahead. The first expression of commitment to implementing the Percy Amendment was the establishment of the Women in Development Office (WID) in USAID.

Ms. Taft centered her remarks on the efforts of the United Nations (UN) and the international community to replicate the kind of legislative and programmatic commitment that exists in the United States. She said that there is a very strong commitment among the international community, which has been strengthened through global summits and conferences, the Convention on the Elimination of All Forms of Discrimination Against Women, and the Millennium Development Goals.

Undergirding the efforts of the international community has been an active affirmation by women in the developing world to seek a voice and a role in determining the course of their own lives. Ms. Taft reminded the audience that in addition to celebrating the vision of Senator Percy, one must acknowledge the real heroines, the women in the developing world who are making their own commitment to that vision. Ms. Taft recognized that many of the meeting participants are committed to empowering women to reach their goals.

Ms. Taft remarked that the United Nations’ Fourth World Conference on Women held in Beijing and the Non-Governmental Organization (NGO) Convention held in 1995 provided an exhilarating expression of the commitment of women from the developing world. She remembered the Afghan women who were reaching out to find ways to promote peace. She remembered the women from southern Africa who described how they would surround a house in which a man was beating up his wife, to shout encouragement to the woman and shame the man. She also remembered a Bangladeshi woman who talked about her micro-credit loan, not in economic terms but in terms of how it brought her dignity.

Ms. Taft turned her attention to the current challenges for women. She said that one of the most important baselines to acknowledge is that endemic poverty, inequality, low economic growth, high HIV/AIDS prevalence, and poor governance cannot be reversed or improved without empowering fifty percent of the population of the planet. She also reminded the audience that gender is not just about women. It is about women and men; and it is about equality. It is about bringing together appropriate programs to level the playing field and catapult both men and women into a higher standard of access to justice, economic and social benefits, and political empowerment. Women, Ms. Taft said, have a lot further to go in that challenge than do men.

Ms. Taft highlighted some other current UN and United Nations Development Program (UNDP) programs in order to give the audience a sense of the challenges for women. She began with a discussion of the situation in Iraq. Ms. Taft remarked that there have been thirteen UN agencies, plus the World Bank and the International Monetary Fund (IMF), working on needs assessments for critical areas. Ms. Taft has been leading the effort for the UNDP. She said that security concerns prevented the team from conducting all of the planned stakeholder meetings.
Ms. Taft stated that fourteen sectoral reports have been completed. A decision was made not to have separate reports on women and other cross-cutting issues such as human rights and the environment. These issues are integrated into each of the sectoral reports. She noted that in the process of preparing the reports, each of the teams had to consider gender issues and how to improve the status of women.

In the area of post-conflict reconstruction, Ms. Taft commented that the UNDP programs are trying to bring hope to women after "a season of pain, shame, and blame." One of the critical issues in post-conflict situations is the disarmament, demobilization, and reintegration (DDR) of ex-combatants. There are approximately eleven countries in Africa going through some stage of DDR. Most DDR programs in the past have required turning in weapons in order to be eligible for benefits. Since it is the men who generally have control of the weapons, the programs have primarily benefited men. UNDP is taking a new look at this situation and trying to ensure that women, who often don't have a weapon to relinquish, qualify for benefits and reentry assistance.

Ms. Taft remarked that among post-conflict returnees there is a high proportion of women-headed households. Some women have had experiences that have empowered them, often through education or training. When they return to their homes, it is important to put those assets to work for development. Ms. Taft provided an example from Sierra Leone where there is a high demand for schools among the returnee population. Many children that were in refugee camps had access to education. Now, schools are overflowing because there is a desire not to lose that important investment in education.

Ms. Taft stated that her office at UNDP is working on issues such as property rights, resettlement locations, micro-credit, and educational programs. Of particular importance post-conflict is the establishment of new governance institutions. In Afghanistan, for instance, UNDP has been involved in the creation of the Ministry of Women's Affairs and has trained women participants in the loya jirga on how to put their issues forward. Ms. Taft commented that UNDP is now working with Afghan women on constitution building, to make sure they can fully participate in that process. As a result, she is hopeful that women will have a strong voice in the direction of the legal framework for their new government.

Another post-conflict issue that Ms. Taft's office has been addressing is that of illicit weapons. In post-conflict situations the large number of illicit weapons is very destabilizing for communities. The UNDP program encourages women to work together to develop strategies that convince the men to turn in their weapons. In return, the community receives funding and technical assistance for development projects. For instance, if a community is deemed a "weapon-free zone," the community might receive funds for schools, clinics, or other essential services. The women, because they're committed to the design from the beginning, make sure that the community stays weapon-free. Some of the countries in which UNDP is conducting such programs include Albania, the Solomon Islands, and the Democratic Republic of the Congo. Ms. Taft stressed that the women are really the peace builders in these countries.

Ms. Taft referred to a recent UNIFEM report entitled "Women, War and Peace," by Elisabeth Rehn and Ellen Johnson Sirleaf. The report is based on interviews with women in conflict and
post-conflict situations around the world. Ms. Taft recommended that the meeting participants read this report (available at www.unifem.org). The report addresses issues of sexual exploitation, trafficking in women, lack of representation of women in UN peacekeeping operations, and problems of security. It also makes recommendations related to each issue area.

Ms. Taft remarked that a few years ago the Secretary General of the UN set a goal that 50 percent of the peacekeeping forces should be women. Currently, only 3 percent of the UN peacekeeping forces are women. Most of the donating countries don't have women in their armed services, so it is necessary to develop training programs for women. More advocacy and support for contributing countries is necessary to make sure that they include women and gender sensitive training.

Ms. Taft added that in her opinion there should be mandatory testing for HIV/AIDS in the peacekeeping forces. It is voluntary now and the actual incident rate is unknown. Military typically have between 5 and 50 percent higher incidence rates than civilian populations, and this is likely reflected in the peacekeeping forces.

Ms. Taft turned her attention to the HIV/AIDS pandemic. On a recent visit to a country with a high incidence of HIV/AIDS she was struck with the "meltdown" of society and government, and the lack of hope. She reminded the audience that the scourge has a disproportionate impact on women and girls, as they bear the burden of food production and care giving. It is essential to provide support in every possible way. One cannot wait and hope that prevention programs will work. There must be support now for treatment programs. It is also critical to support agriculture and education in new ways.

The UN has engaged with six other agencies to look at support for the twinning of government officials. Right now, there are few people to pair up with in some ministries because the people are dying at such great rates. It is necessary to assist the ministries in writing grants and implementing programs. Ms. Taft noted that there is no point in training people if they are going to die. A comprehensive approach must include anti-retroviral medicine, education, and in some cases a total rethinking of how development is done.

Ms. Taft said that while she is concerned particularly with the impact on women, because they are such a strong component of the survivability of culture and social fabric, men are dying at alarming rates too. It is her sense that if this battle is lost, which is the most significant battle on Earth, then "we have lost our humanity."

Ms. Taft remarked that the Millennium Development Goals have helped to focus the UN system on deliverables. Every country is starting to take these goals seriously. Critical to most of these goals is the empowerment of women, the education of girls, health, food security, and poverty reduction.

Ms. Taft thanked the meeting participants for their efforts in reaching out and helping women throughout the world. Ms. Taft closed with a quote from Abigail Adams as she wrote to her husband on his departure to participate in the Constitutional Congress in 1776: "I desire you would remember the ladies."
PANEL DISCUSSION: "GENDER INTEGRATION IN DEVELOPMENT PROGRAMMING: SUCCESSES AND CHALLENGES"
Moderator: William S. Reese, ACVFA Chair

Alfredo Sfeir-Younis, Senior Advisor, Office of the Managing Director, World Bank Group

Mr. Sfeir-Younis remarked that the development community has come a long way in recognizing that success in development is critically dependent on gender equality. For the World Bank, the increasing feminization of poverty must be addressed if the Bank is to meet its goal of poverty eradication. Correspondingly, achieving results in the field means ensuring benefits for women who make up a large proportion of the population. Mr. Sfeir-Younis said that the World Bank is focusing on two important issues: scaling up development and improving the performance in development implementation. Gender equality and gender issues are fundamental in these efforts.

Mr. Sfeir-Younis commented that gender inequality continues to be persistent and pervasive. It is pervasive because it touches on a number of issues that have to do with the moral imperative of gender equality, as well as with economic and social development. It is persistent because it is seen in both developing countries and developed countries. In terms of its pervasiveness, it is clear that women actually work more hours than men. In some countries, women work 50 percent more than men, and, of course, women earn less than men in both developed and developing countries.

Mr. Sfeir-Younis stated that the World Bank has done some interesting research on the issues of rights. Equality of rights varies tremendously among countries. The World Bank has also looked at representation in government. The study found that very few parliaments around the world have a significant proportion of parliamentarians who are women.

Mr. Sfeir-Younis said that one of the most important research results was rather obvious, but important. The Bank found that gender equality clearly promotes economic growth and reduces poverty. Research demonstrates that educated women lead households in which child life expectancy is higher. Women, particularly in rural areas, manage natural resources in very different and more sustainable ways. Mr. Sfeir-Younis emphasized that gender equality and promoting gender parity in development is important for investment in future generations. The World Bank has found that wherever there is gender equality, the expenditures by women are very much inward to the family. Children in households with more educated women study longer and have more success in school.

The World Bank's strategy is to address not only issues of diagnosis, but also to look at the issue of dialogue with women. The strategy includes creating a space for integrating gender issues into policy structures, country strategy systems, and economic work. Mr. Sfeir-Younis commented that there are three important principles in this strategy. First, it is country-specific and country-led. There are no cookie-cutter approaches. Second, it is necessary to examine how gender conditions become barriers to poverty eradication and economic growth. Third, there must be a dialogue with women and all stakeholders.
Mr. Sfeir-Younis presented seven challenges in the arena of gender and development:

- The first challenge is integrating the gender assessment into the dialogue and the country assistance strategy.

- The second challenge concerns partnerships. The World Bank was created by governments and traditionally works with governments. There is now a major effort to develop new forms of partnerships with civil society.

- The third challenge is gender equity in countries' systems of strategies in economic work. The World Bank is identifying best practices and developing guidelines for analysis in this area.

- The fourth challenge is a change in focus of lending operations. Mr. Sfeir-Younis said that there is no doubt that if the World Bank does gender-based lending operations, the attention will be 100 percent on gender. The second tier where there is a lot of attention to gender is on issues of allocation in health, nutrition, and population. The World Bank is now moving beyond these traditional sectors and looking at gender equality in transportation, energy, water, and sanitation, in which women play a very critical role.

- The fifth challenge is building capacity in developing countries and within the World Bank to do the job. The World Bank is using the World Bank Institute, as well as other means, to create this capacity.

- The sixth challenge is measuring progress toward gender equity. The challenge is to move from outputs to outcomes. The first stage of engagement on this was to look at indices that measure outputs, but this did not necessarily mean that the outcomes were right.

- The seventh challenge is making sure that evaluation and gender assessment is a reality in all client countries. The World Bank is hoping that in the next three to five years there will be a gender assessment in every client country.

Mr. Sfeir-Younis remarked that the research does not show any major regional differences in terms of gender equity in developing and developed countries. It is an issue everywhere. He also stated that it is very difficult to change the course after a project has been identified and designed. The World Bank strategy is to bring the debate on gender equity into the early stages of policy and project planning.

Mr. Sfeir-Younis concluded his remarks by sharing three general thoughts, the last of which is sure to be provocative. First, he remarked that it will be impossible to attain the Millennium Development Goals without paying attention to gender equality. Second, Mr. Sfeir-Younis said that the issue of gender equality forces decision-makers to look at the normative aspects of economic development. It is fundamental to link the gender equity debate with the debate on human rights.
Third, Mr. Sfeir-Younis stated that one must think beyond material issues in gender equality. Empowering women necessitates a change in the rules of the game. Gender is also linked to the spiritual development of society. It is impossible to reconstruct societies that have been torn by war without considering their inner development and social fiber. Feminine energy is fundamentally important. Mr. Sfeir-Younis remarked that many people believe that the imbalance between feminine and masculine energy in the world today is a main source of conflict and inability to address poverty and other issues.

Mr. Sfeir-Younis ended by saying that gender equity presents a tremendous challenge because it challenges existing power structures. He believes that the only way to come out of this conundrum is to have a major revolution in values in which women are not residuals but rather integral founders and holders of development.

**Emmy Simmons, Assistant Administrator, Bureau for Economic Growth, Agriculture, and Trade, USAID**

Ms. Simmons remarked that when the Percy Amendment was proposed, she was in northern Nigeria looking at the role of women in households and in the village economy. She first heard of the Percy Amendment in 1977 when she started working for USAID. In 1978, the office of Women in Development (WID) at USAID was established. Ms. Simmons worked in the Program and Policy Coordination Bureau at that time. It seemed very important that USAID policy and programs worldwide reflect the goals of the Percy Amendment.

Ms. Simmons reflected on the time span between 1977 and 2003. She stated that development assistance programming and USAID's approach to gender integration has changed a lot since the Percy Amendment was passed. In the old days of development assistance programming in USAID, there was an emphasis on projects. Projects were self-contained operations intended to accomplish specific goals. To implement the Percy Amendment, there was an initial impetus to design projects specifically to focus on women's non-reproductive roles. One of the very first policy decisions made by the WID office was not to focus on reproductive roles, but rather to look at issues such as economic integration.

In order to get projects approved in the USAID of 1978, one had to raise consciousness about why such projects might be important. Women were largely invisible in the data sets that USAID was working with at the time, especially in the non-reproductive areas. As a result, there was a lot of attention paid to documenting the roles of women, trying to understand what to many seemed obvious.

Ms. Simmons said that her job in northern Nigeria involved documenting women's activities. The women in that community never left the housing compound that they married into. Very few outsiders knew what these women did inside the walls of their compounds. As a woman, Ms. Simmons was able to document the activities that went on inside these walls, many of which would now be called micro-enterprise activities. The study involved describing what was common knowledge to everyone in that society, but not to those in the international development community.
These micro studies led to broad generalizations, such as "women do 70 percent of the work on farms in Africa." Those general statistics, based upon a whole spate of micro studies, provided the underpinning for projects related to women's economic roles. Some projects were women-specific efforts. In other instances, women's components were integrated into larger projects. Ms. Simmons said that some progress was made in testing out different ways of delivering development assistance to this population.

Ms. Simmons noted that today projects are only one approach to development assistance programming, and in many cases they are not the most important approach. More attention is paid to policy reforms. USAID is also more committed to building alliances involving a variety of non-governmental partners, civil society, and the private sector. Today, USAID often looks at sequences of small activities that gradually build institutional capability or solve specific problems in an incremental way. Sector-wide programs are another approach that is gaining some currency.

Ms. Simmons remarked on the newest acronym, DBS, direct budget support. Direct budget support to a ministry of education, for example, can enable the donors to engage in a policy dialogue about gender issues right from the beginning. Ms. Simmons emphasized that today USAID has a lot more tools, and is a lot less project-oriented than in the past. The approach will continue to evolve.

Ms. Simmons outlined three lessons learned from USAID's experience to date. First, there is a need to focus on the broad policy and institutional context, as well as on specific activities. USAID's support for micro-enterprise development epitomizes this learning process. Focusing on an activity that delivers services to a target population, such as poor women is not enough. The policy and institutional contexts must be addressed as well.

A second lesson is that it is important to listen to and work with women's organizations in partner countries. In 1978 it seemed as though there were no women's organizations. However, that has changed dramatically in the last few decades. The civil society sector has been the most open and empowering sector for women. Women have figured out that by coming together their voice is stronger, their advocacy is more powerful, and their ability to tap into development assistance is far greater. When a women's organization puts together an agenda, advocates it, gets money for it, and succeeds in getting what they set out to do, there is no success that speaks better than success.

The third lesson is that addressing gender issues has to be everybody's business. The question is how to ensure, in providing development assistance, that everyone in developing countries, as well as donors, engages in addressing gender issues. Ms. Simmons remarked that the HIV/AIDS epidemic in Africa underscores this important lesson. When girls and women in Africa are being infected with HIV at rates six to seven times that of males in their age cohort, it is clear that age and gender issues are coming together in a way unfavorable to females. Ms. Simmons cited as an example a project in Zambia called HEART (Helping Each other Act Responsibly Together). Focused on youth, it brings together both boys and girls to design programs to prevent HIV. Using popular media, radio, TV, and posters, the messages developed have reached half of the
target age group and reportedly have made a difference in youths' own decision-making with regard to their sex practices.

Within USAID, Ms. Simmons remarked that the Gender Plan of Action calls on all staff to pay attention to gender and to build gender approaches into all programming. The WID office in the Economic Growth, Agriculture, and Trade Bureau is funding gender training through InterAction for NGO partners. As key implementers of USAID programs at the grass roots levels, NGOs are often best placed to translate the goals of gender equality and women's empowerment into practical applications.

Ms. Simmons pointed out that there is still more to be done. Many now think it is time to rethink the USAID gender strategy and develop a new strategy that better reflects the current development challenges and assistance environment.

In summary, Ms. Simmons stated that the Percy Amendment remains very relevant to USAID. Women still hold up half the sky and they still need support if their efforts are to be integrated into their national economies. USAID has made a commitment to focus on increasing the status of women, to recognize their current contributions to development, and to make sure that they have opportunities and access to other material and non-material aspects of development. Ms. Simmons concluded by noting that USAID looks forward to working with NGO partners on gender issues and intends over the next three months to take stock of its experiences to date and the challenge ahead to develop a new, revitalized strategy that will help implement gender within the Agency’s programs.

**Phil Evans**, Senior Social Development Advisor, UK Mission to the UN and Chair, Network for Gender Equality, Development Assistance Committee, Organization for Economic Cooperation and Development

Mr. Evans focused his comments on recent experiences of the Department for International Development (DFID) in the UK with respect to gender, development, and the empowerment of women. He also shared the findings of a recent study done by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) on performance of DAC member states with respect to gender and development work. Mr. Evans remarked that development workers must be optimists. Taking a long-term view is an important way of maintaining the appropriate degree of optimism. That is true with respect to the situation of women, as well as other aspects of development. One should not forget that the 20th century has seen the greatest progress in history in women's voice, in the empowerment of women, and in progress with respect to their place in society. That has occurred alongside the greatest leap forward in improving social conditions and tackling poverty at a global level. Mr. Evans pointed out that about 20 percent of people in the world today live on less than a dollar per day. One hundred and fifty years ago the proportion of the global population living below an equivalent measure would have been 80 percent. There has been a shift in the positive direction in terms of world poverty. Only two countries in the world, Sweden and New Zealand, entered the 20th century with women having the vote. Today, out of the 190 or so countries in the world, only approximately six do not give women a voice in political decision-making. Mr. Evans
stated that the more one recognizes the magnitude of the challenges in development, perhaps the less satisfied one is with the progress being made.

Since the 1970s women have been recognized as productive, as well as reproductive agents. It has also been recognized that poverty hits women much harder than it does men. There has been a great deal of subsequent work that has reinforced and enriched that knowledge, including important work that has been done by the World Bank. There has also been a succession of UN world conferences on women over the last 25 or 30 years, which have brought attention to the importance of gender equality in development.

From the 1990s forward, the era of globalization has brought new issues onto the development agenda in the areas of human rights, good governance, and social justice. This has led to a recognition of the pressing need for new approaches to international development cooperation. The development community is now at the cusp of a new paradigm in which there may be greater space for gender equality and women's empowerment. Gender issues are not just relevant to one of the Millennium Development Goals, but to the achievement of all of them.

Since 1995, the Gender-Related Development Index developed by UNDP has been used to track progress over time with respect to the comparative progress of women and men in development. When the index was launched in 1995 it looked at progress from 1970 to 1995. It found that significant progress had been made over that time, but there was still a great deal to be done. It also found that no society treats its women as well as its men. Interestingly, gender equality does not seem to depend on the income level of a society. The poorer countries in some respects have made better progress than richer countries. It is clear that countries do not have to escape poverty before gender equity can be achieved.

Mr. Evans discussed a study done by the Development Assistance Committee (DAC) Working Party on Evaluation in collaboration with the Gender Network, which looked at two sets of documentation. One was a collection of 42 evaluations done by twelve DAC-member states and five multinational organizations that looked specifically at gender issues and women's empowerment. They compared that data with general evaluations from a similar number of DAC-member states to see how they tackled gender in a more mainstream way.

The findings of the study were not encouraging. Mr. Evans read a quote from the report: "In general, the quality of gender analysis in evaluations is inadequate for agencies to assess differences in benefits between women and men and their relationship to overall development outcomes." Mr. Evans noted that this was a devastating conclusion to draw after several decades of focused efforts and strong claims to progress by DAC-member states.

The study identified a number of key methodological problems with respect to evaluations. Primary among these was insufficient attention to results. It pointed out that there have been assumptions made that simply mainstreming gender issues into development would lead to better outcomes for women. The results of the evaluation cannot confirm or deny that hypothesis. The study found very scant use of gender-sensitive indicators in development work, but where these were used, the analysis was better and the results easier to identify.
The general evaluations (those that were not looking specifically at gender activity) were characterized almost entirely by very poor gender analysis. Where evaluations were good, they tended to use participatory methods as part of the toolkit for looking at progress, but many of the evaluations did not. Finally, an important finding was that gender was too often used as a synonym for women, making analysis of underlying causes and situations difficult to discern.

Mr. Evans pointed out there were some important insights into the ingredients of successful strategies for change. The first was the importance of broad-based ownership, consensus, and shared vision among all of the parties involved in development to achieve outcomes that promote gender equality. Strong stakeholder involvement and long-term commitments were identified as keys to success. Making explicit links between mainstream agendas such as poverty reduction and issues of gender equality are crucially important, rather than taking gender equality as a side track running parallel to these other issues. Also essential is making the links with human rights. Mr. Evans noted that accountability has to be a central piece. Indicators must be linked to programs, resources must support the goal of gender equality, and participation must be key to the process.

Mr. Evans remarked that DFID recently took a long, hard look at its performance with respect to gender work. He provided an example from Pakistan where, through a process of networking, partnership, and persistence, DFID contributed to a significant increase in women's participation in political life, both in local authorities and in the national assembly. The lesson from that experience was that there are circumstances in which direct interventions on behalf of women, as well as mainstream work in major sectors, can be effective. Working with partners, particularly through the UN, is important in helping to defuse accusations about western imperialism, cultural values, and so forth. However, Mr. Evans noted that in general there is still not enough explicit attention paid to gender in DFID’s country assistance strategies.

Mr. Evans outlined some further challenges:

1. A need to develop better tools and methods to understand gender inequalities and to turn that understanding into better programming
2. A need to put gender issues into the center of key instruments and ensure that it is in the results framework that goes along with those instruments
3. A need for leadership and political will coupled with better accountability
4. A continuing need to recognize the essential value of gender equality, not just its instrumental value (without which gender remains just a contingent agenda)

Mr. Evans concluded that leadership and political will remain absolutely fundamental. Mr. Evans emphasized the need to work for women, rather than on their behalf. The issue of empowerment is crucially important.

The agenda must be driven by women. This is where organizations in civil society play a critical role in giving voice to women, and amplifying that voice in the process of policymaking and development assistance.

Ann Claxton, Director, International Program Development, World Vision/US
Ms. Claxton remarked that for World Vision gender integration is a matter of justice and development effectiveness. World Vision has tried different approaches over the years to increase the participation of women in development and in civil society, to protect their rights, and to ensure that they reach their full potential. World Vision started with a project approach towards women in development, which evolved into mainstreaming gender sensitivity throughout the organization. World Vision now realizes the need to combine these approaches and add a dimension of organizational culture development and accountability. World Vision's effort to mainstream gender throughout the organization and field programs is grounded in a world view that women and men both have equal rights to develop their full potential. The World Vision development goal is to transform communities and families so that they can better enhance a secure future for their children.

Ms. Claxton stated that the empowerment and meaningful participation of women and girls has always been critical to effective community development. Studies around the world have shown that educated, healthy, and empowered women rear educated, healthy, and empowered children, who in turn become the leaders and producers of the future. Whether it is improving household food production, increasing household income, ensuring adequate health and nutrition and education outcomes, engaging in civic life, reducing conflict or waging peace, the full participation of women and girls is essential to the effectiveness of development programs.

Girls, Ms. Claxton remarked, are the world's most squandered resource. They are generally the last to receive the benefits that they need and the first to have their basic rights denied. World Vision's focus on girl children has revealed a world of injustice, deprivation, and discrimination that has created formidable obstacles for achieving girls' rights to survival and development. Obstacles such as early marriage, sexual exploitation, domestic violence, and the lack of inheritance property rights are deeply rooted in cultural values and norms. World Vision's 2001 Girl Child Review showed that these norms are very difficult to overcome even when statutory provisions are in place to protect the rights of girls and women. Breakthroughs in traditional practices and in the policy frameworks are needed in order to ensure girls' access to education, economic opportunity, and improved nutrition and health care, which are the building blocks of development.

World Vision focuses on girls in the belief that ensuring a more just world for girls will result in enormous social, cultural, economic, and political progress. Their protection and full development helps to break a vicious cycle of intergenerational poverty and helps to transition families into a virtuous cycle of transformational development.

One irony in years of progress in increasing women's participation and empowerment is that their workloads have increased. Not only do women still carry most of the traditional workload, but due to well meaning development efforts, women are often busier than ever. In World Vision programs, women constitute 30 to 65 percent of the leadership in the community development committees. They are 65 percent of the 250,000 borrowers in World Vision micro-enterprise programs. In the HIV/AIDS home-based care programs women are shouldering the burden of caring for homebound AIDS patients and orphans. Yet, despite their volunteerism,
their entrepreneurism, and their productivity, women still do not have basic access to land, inheritance rights, and education.

Realizing that the policy and practices of World Vision itself can provide a model and leadership, the organization has, over the past five years, begun a process to improve organizational culture, accountability, and capacity both internally and externally. Ms. Claxton commented that World Vision's policy on women, development, and leadership was amended in 1999 and then complemented in 2000 with a board policy on managing for diversity that explicitly mandates the advancement of women and minorities in leadership positions at all levels of the organization. World Vision has strengthened its Office of Gender and Development and created a network with a focal point in every office of the organization. This network is responsible for linking to other sectoral and cross-cutting networks to ensure that gender issues are mainstreamed into the analysis, design, and evaluation of all programs. The key function of the Gender and Development Office is to disseminate the tools and build the capacity of the World Vision staff around the world.

Ms. Claxton remarked that an analysis showed that the proportion of women in leadership positions at World Vision is not equal to the proportion of women in the workforce. As a result, a very vibrant diversity management program has been developed. The Organizational Diversity Project is working to analyze and strengthen policies and practices at every level of the organization.

For accountability, World Vision has a number of tools, including a peer review process. The Gender Self-Assessment is a new tool that World Vision is using to help assess staff perceptions about gender integration. It includes an action-planning process for strengthening gender integration, as well as monitoring and evaluation to assess impact with gender disaggregated data.

Ms. Claxton concluded with some recommendations from World Vision's experience. She said the first step is to continue to build gender understanding and sensitivity throughout the organization. There has been a lot of progress, but the issues are still not well understood. She also emphasized the need to provide gender analysis and training for staff. It is important to use gender-sensitive indicators, especially looking at the results and outcomes of interventions. Finally, there is a need to build in accountability measures.

In closing, Ms. Claxton said that it is important to include men in the process. Although women are undertaking strong leadership, development requires 100 percent of the available talents. Ms. Claxton stressed that everyone needs to "walk this walk together."

**KEYNOTE ADDRESS: Andrew Natsios, Administrator, U.S. Agency for International Development**

Before beginning his remarks, Mr. Natsios pointed out that the Global Development Alliance (GDA) is in full swing. The GDA is a new way for USAID to do business. He remarked that Secretary of State Colin Powell is very interested in the amount of private sector money being
leveraged through the GDA. Mr. Natsios expressed his hope that the meeting participants would become involved in this program.

The focus of Mr. Natsios’ speech was the current situation in Iraq and Afghanistan. He remarked that he is about to embark on an effort to publicize the good things that are happening in these two countries, which the media is not reporting. He pointed out some current misconceptions about USAID's work. First, while there are serious security problems in parts of Afghanistan and Iraq, it is inappropriate to generalize those problems. Security is not a problem everywhere in both countries.

Second, Mr. Natsios emphasized that the lack of security is not paralyzing USAID's efforts in those countries. There is a mistaken impression that the only work going on in Afghanistan is in Kabul. To the contrary, most of USAID's work is not in Kabul, but in other parts of the country. He speculated that the reason it is not being reported is because most reporters do not get to the countryside. Mr. Natsios commented that there are some extraordinary projects in the countryside in Afghanistan and Iraq.

Mr. Natsios then turned his attention to accomplishments in Iraq. First, there has not been a major food crisis in Iraq. USAID worked with the World Food Programme (WFP) and the NGO community to make the transition from the old food distribution system to a new system. Mr. Natsios pointed out that the new system includes people who, for political reasons, were systematically denied access to food under the old system.

USAID sent a large Disaster Assistance Response Team (DART) of almost 60 people to Iraq. USAID trained staff, NGOs, and civil affairs officers. The Agency also created a new unit within the Office of Transition Initiatives (OTI) called the Abuse Prevention Unit to help prevent serious human rights abuses. Mr. Natsios added that there is a DART team in Liberia at this time.

Mr. Natsios remarked that 55,000 Iraqis are now working for NGOs and contractors who are funded through USAID. There are also 55 people on the USAID staff and 600 expatriates working on USAID funded activities. USAID has accomplished this work through 45 grants and contracts to American NGOs and private firms. USAID will soon announce a program of grants to American universities and colleges. The program will link a specific American university with a specific Iraqi university and will include two-way exchanges.

Mr. Natsios showed slides depicting areas in which USAID is currently working in Iraq (Annex 3). He pointed out that USAID’s projects center in heavily populated areas around the Tigris and Euphrates River system. He also said that the port of Umm Qasr is in better shape than it has been since 1982. Two hundred and fifty pieces of unexploded ordinance were removed, as well as many layers of silt. The port is now open and 600,000 tons of commodities were delivered in September.

With regards to electricity, Mr. Natsios said that Basra now has almost 20 hours of electricity per day. Prior to the war, they had only two or three hours per day. Mr. Natsios reminded the audience that the south was discriminated against in a systematic way for political and religious
reasons. In other areas of the country USAID is trying to bring electrical output up to pre-war levels.

In the area of water and sanitation, USAID has repaired 1,700 pipe breaks in Baghdad and increased the water flow by 200,000 cubic meters per day. Additionally, 70 of the 90 waste-pumping stations were rehabilitated. Sewage backup was presenting a serious health problem. Mr. Natsios stated that USAID has tried in all the cities to de-link the sewer and water systems from the electrical grid, so water and sewer are not affected by power outages.

Mr. Natsios said that Baghdad International Airport is almost ready to open. A number of bridges have been repaired and the telephone system is now being restored. Only 6 percent of the population had telephones before the war, one of the lowest percentages in the Middle East.

In the area of food and agriculture, a contract will be awarded in the coming weeks. Mr. Natsios said that USAID is working with the NGO community. He recently signed a grant to a Czech NGO that had been working among the Marsh Arabs. Saddam Hussein systematically drained the marshes and destroyed the culture of the Marsh Arabs. Scientists from Duke University did a hydrological assessment and concluded that far more of the marsh area may be restorable that previously thought. Mr. Natsios said that the local people are beginning to blow up some of the dikes and allow water to flow back into the marshlands.

USAID worked with the Civil Affairs Units to set up 200 neighborhood advisory councils. Mr. Natsios said that they are quite extraordinary -- a first taste of democracy. Mr. Natsios related the story of one man who said that the last time he was asked politely and voluntarily to go to a meeting was in 1948. USAID has given out 830 rapid response grants to neighborhood advisory councils in Iraq. Mr. Natsios remarked that one is beginning to see democratic governance at the local level in a very moving way across the country. USAID is also helping to organize community associations separate from the local councils.

Since many of the regional and national ministry offices were looted and destroyed, USAID has developed a "ministry in a box" program. Each "box" contains desks and office equipment to help offices return to a functional state. USAID has distributed forty of these "boxes."

Mr. Natsios remarked that school is starting soon in Iraq. Fifteen hundred schools (up from 1200 a few days ago) were rehabilitated. Most of the schools did not have running water or operating bathroom facilities. Most importantly, there was no electrical power to run the fans in the intense heat. One and a half million secondary school supply kits were distributed. USAID worked with UNICEF and UNESCO to produce and distribute 5.6 million new math and science textbooks.

Working with UNICEF, the Ministry of Health, and the NGO community, 4.2 million vaccinations were distributed. Mr. Natsios said that there is a horrendous problem with child mortality rates because the health care system is not functioning. USAID is funding oral rehydration programs, health education programs, and nurse training. Bechtel Corporation is currently working on renovation of health clinics.
Mr. Natsios said that of the $2.5 billion that was provided in the supplemental budget for reconstruction in Iraq, 80 percent was spent or obligated by USAID. The fact that USAID has obligated almost $2 billion in a five-month period of time is quite extraordinary. It required heroic efforts by USAID staff in Washington, DC and in the field.

With regard to Afghanistan, Mr. Natsios described six USAID objectives. The first objective is the reconstruction of the economy, focusing on agriculture and infrastructure. Mr. Natsios complimented the NGOs working with USAID in Afghanistan on doing a good job. He thanked them for reporting on their activities so he could use that information for his presentation to Congress.

USAID's second objective is creating the conditions for private investment. USAID is assisting with this through the development of a universal investment code, universal commercial code, and a private property rights law that will be enshrined in the constitution. USAID was also involved in the development of the new Afghan currency that President Hamid Karzai says was his best accomplishment. Third, USAID is helping to improve the lives of average Afghans through the provision of basic public services.

The fourth objective is assisting in the reconstitution of the national government. USAID hired 130 professional people as advisors in the ministries. USAID also used the "Ministry in a Box" approach in Afghanistan. Seventeen day care centers have been established in ministry buildings so that women civil servants can go back to work. USAID is also paying the salaries of 879 professional Afghans working in government ministries in order to upgrade the managerial competence. Many of these people have prior experience in the NGO community or with the UN. They have now been recruited to reconstitute the ministries so there is an experienced national government. Mr. Natsios said that the next step is to move the ministries out to the regions.

The fifth USAID objective is promoting democracy. USAID did the logistics for the first Loya Jirga and has been asked to do the logistics for the constitutional loya jirga in December. The last objective is to promote full participation in the new Afghanistan. Mr. Natsios said that USAID is doing a large amount of civil society building in Afghanistan, where NGOs have a long tradition of infrastructure.

In terms of accomplishments in Afghanistan, Mr. Natsios remarked that a famine was avoided. There were pre-famine indicators, but 400,000 metric tons of food was brought in through the Food for Peace program. The World Food Programme did the wholesale and the NGO community did the retail distribution. Mr. Natsios commented that, according to the Food and Agricultural Organization of the UN, the harvest this year is the best in the history of Afghanistan. There is so much food that prices are declining and some farmers are beginning to consider export crops for next season.

Mr. Natsios said that USAID printed 25 million textbooks -- 10 million the first year, 15 million the second year. Many NGOs worked on the logistics with UNICEF to get those out to the schools. In order to increase girl participation in schools there is a vegetable oil distribution program. If girls stay in class the whole month, they get a supplement. Girl participation in
schools has gone from 6 to 35 percent, and in some areas 45 or 50 percent. Two hundred three schools have been rebuilt and another 1,000 schools are scheduled to be rebuilt.

Mr. Natsios remarked that 121 health clinics have been rebuilt in Afghanistan. Many are run by NGOs. USAID has agreed to rebuild another 400 clinics. There is a template that was done by USAID, working with the European Union and UNICEF, to construct a system of rural clinics for the whole country.

Mr. Natsios commented on the controversial road construction project. The first stage (one layer of asphalt) will be completed in December. A second layer will be added next spring, and then the shoulders will be completed. The road is expected to be finished by June. The road from Kabul to Kandahar is already having an effect on the health of the people nearby. Women having difficult births can go to a hospital in Kabul in a matter of hours, instead of days.

Mr. Natsios remarked that in the past few weeks there has been a systematic increase in attacks on the construction crews. Six Afghans were killed in recent attacks. The road is important to commerce, health, and public services. Mr. Natsios remarked that 35% of the population of the entire country lives within 50 kilometers of the road, and 65% of the Afghan population lives within 50 kilometers of the entire ring road. Mr. Natsios said that there is money in the supplemental bill to build more of the road. The road will have a powerful effect on tying the country together, reducing regionalism, and encouraging commerce.

Mr. Natsios showed a slide depicting USAID projects in Afghanistan. He also said that there are a large number of national projects that cannot be broken down by province. He noted that the maps are also on display in the hallway. USAID made a list of all the projects in Afghanistan, approximately 785 projects, either completed or underway now. Mr. Natsios said that it is a very impressive list.

Mr. Natsios concluded by saying that there is a very good story to tell the American people about what has happened in Iraq and Afghanistan in a short period of time.

**QUESTION AND ANSWER SESSION**

Heather Jaffan, of System Sciences, Inc., asked about incentives for the private sector in Iraq and Afghanistan, and about measures for free trade.

Mr. Natsios replied that customs protocols are being designed for each country. Customs duties will make up the bulk of the tax revenues for the Afghanistan. It is very important to help the country become self-sustainable. The subcontractors for construction are primarily Afghan companies. USAID is insisting that as much work as possible be given to local companies. There are 55,000 Iraqis working in Iraq. They're working for modest wages, but it is getting people involved in the economy, building capacity.

Mr. Natsios commented that Bechtel Corporation is using their own, not government, money to advance private capital to Iraqi companies so that they can pay their workers and replace
equipment that was looted or destroyed. USAID is also helping to build the infrastructure -- the investment law, the property laws, the uniform commercial code, a stable currency, and a banking system -- necessary for free trade and economic growth.

Carolyn Long, independent consultant, asked Mr. Natsios to talk about past accomplishments and future directions for gender equity issues at USAID.

Mr. Natsios replied that the progress can be summarized in one sentence: It is no longer a separate thing. Gender is no longer peripheral or an appendage to a program. Mr. Natsios stated that it must be integrated into all sectors. For instance, the road in Afghanistan has an impact on women's health. It is necessary to think through these issues around gender and the status of women, particularly in countries that have a history of systematic discrimination against women. If one were to look at USAID programs in every sector, Mr. Natsios said, one would see a substantial effort to ensure that all of the Agency’s programs are gender-sensitive. There is a policy in place in USAID on gender that crosses all areas. Mr. Natsios has chosen to focus on several issues that are sectoral but that have a profound effect on women and girls. One of them is human trafficking. The second is education. USAID has doubled the amount of money spent in Africa on education. Raising the education level of women and girls has a profound impact on the well being of the family and the community. Mr. Natsios concluded his response by noting that there are gender-sensitive components in USAID programs across all sectors. USAID missions have officers who focus on gender as one of their responsibilities. As a result, gender is heavily integrated into USAID programming, although it is more successful in some countries than in others. National leadership is the key to success.

Francis Johnson of the International Property Rights Working Group suggested that in an effort to get the word out to the American people about the good work being done in Afghanistan and Iraq, USAID give cameras and recorders to NGOs to produce local success stories.

Mr. Natsios replied that USAID is starting to document those kinds of stories. They are now available on USAID's website.

Mary McClymont of InterAction asked Mr. Natsios to address the issue of security in Afghanistan. Eight NGO workers were killed in the last six weeks in Afghanistan. There are questions about the expansion of the International Security Assistance Force (ISAF) and a new UN Security Council resolution.

Mr. Natsios replied that he does not see a need for a UN Security Council resolution for Afghanistan. ISAF has been taken over by NATO. There is a serious discussion about extending the NATO umbrella outside of Kabul. There is support in the Administration, but all the countries that provide troops must agree to do this, and they are not all enthusiastic. He also said that there has been an increase in U.S. military patrols along the road recently.

Ted Weihe, ACVFA member, asked Mr. Natsios to discuss the Kurdish areas of Iraq and the situation in Sudan.
Mr. Natsios replied that USAID has been doing extensive planning for the reconstruction of Sudan. He related that five months ago he held a lunch with senior people on both sides of the conflict. He told them that if there is peace, there will be a strong U.S. presence in both the north and the south to reconstruct the country. The United States government, at very senior levels, is deeply involved in the peace negotiations. Mr. Natsios is optimistic that there will be a peace agreement in the near future.

In regard to the Kurdish area in Iraq, Mr. Natsios remarked that USAID's work in Iraq is based on need. The Kurdish government kept order in the north and the infrastructure was not looted. As a result, that area is not high on the priority list for assistance. Mr. Natsios said that it is simply a matter of what has to be done first to take care of immediate needs.

"Iraq Reconstruction: Progress to Date"

Ross Wherry, Senior Reconstruction Advisor, Economic Governance Team Leader, USAID.

Mr. Wherry remarked that USAID has been working in Iraq for approximately five months. A major focus has been infrastructure repair. USAID is also working in education, health, and economic growth. A very large agriculture contract is expected to be signed within the next week. Other areas of concentration include finance, micro-credit, and governance.

Mr. Wherry stated that a contingency plan for reconstruction was developed before the war began. The DART team was in Iraq from the beginning. USAID was ready with most of its technical assistance people so that reconstruction could begin immediately. Mr. Wherry emphasized that the ability to start reconstruction and relief at the same time provided a significant benefit.

Mr. Wherry remarked that the participation of indigenous NGOs is tremendously important in the reconstruction process. Unfortunately, in Iraq, due to the many years of political oppression, there were few local NGOs. Mr. Wherry commented that reconstruction has to be about the people. The Iraqi people have to be in charge.

Mr. Wherry compared military strategy and development strategy. The goal of the military is to deny territory to the enemy. Relief and reconstruction strategy focuses on responding to the need of the people. According to Mr. Wherry, the assistance program in Iraq is now in 16 of the 18 governorates. Many people are working in very insecure situations.

Mr. Wherry pointed out the importance of public communications. It is critical that the Iraqi people understand how they are benefiting from the reconstruction efforts. That communication needs to come through the media, NGOs, local governments, and professional organizations. He stated that USAID needs to do a better job on this kind of communication.

According to Mr. Wherry, better than 90 percent of the reconstruction money in Iraq has gone to the for-profit sector. He said that USAID hopes to work more with the NGO sector from this point forward. Currently, the Office of Foreign Disaster Assistance is working with nine NGOs, primarily in humanitarian relief. Approximately $70 million is going to five NGOs involved in community action programs. These programs are tremendously important grass roots efforts.
Mr. Wherry suggested that the meeting participants look at the displays in the hallway that show the more than 800 small grants that have been made through USAID in the last five months. He pointed out that each grant represents a community decision making process -- a form of participatory governing.

USAID recently awarded $11.5 million to American universities, the first major grants to the university community in the last fifteen years. Mr. Wherry said that USAID would be awarding more grants to universities in the near future.

Approximately $200 million was granted to various UN agencies including UNICEF, WHO, the World Food Programme, and UNESCO. UNESCO printed the textbooks that are to be distributed to schools over the next two weeks. Mr. Wherry emphasized the importance of working with the UN.

With regard to the involvement of the U.S. NGO community, Mr. Wherry reminded the audience that Iraq is still a very dangerous place to work. USAID wants to carefully examine how to bring the non-profit community into the process. There is recognition that NGOs have specific strengths that cannot be gotten through the government or the for-profit sector. In closing, Mr. Wherry reiterated USAID's desire to find a way to increase the presence of U.S. NGOs in the reconstruction of Iraq.

**QUESTION AND ANSWER SESSION**

A participant asked if American universities in the Middle East are involved in the university grants.

**Mr. Wherry** replied that the request for applications was written to be as inclusive as possible. American universities are encouraged to partner with universities in developing countries, specifically for the culture and language aspects.

A participant expressed concern about the push to privatize state enterprises too quickly and to make funds available to local entrepreneurs without some of the normal banking standards.

**Mr. Wherry** responded that the most dangerous thing facing the U.S. right now is high expectations about U.S. accomplishments. There is a balance between speed of reconstruction and doing the job properly in a sustainable manner. He stated that it is important to be very careful in lending money because there is no collection mechanism in Iraq at this time.

**Ritu Sharma** with Women's EDGE asked to what extent USAID is able to integrate Iraqi women into the reconstruction process. With the current security considerations in Iraq it is clear that the situation for women is worsening.

**Mr. Wherry** replied that security is a very difficult issue. When public order declines the first victims are often women, specifically their ability to circulate and participate in the economy. USAID has tried to mainstream gender as much as possible. For instance, loans are made to
women at the same rate as loans to men, men have equal responsibility for the health of their families, and women should be allowed to own property in their own name.

Ted Weihe, ACVFA Member, suggested that community based electric and telephone cooperatives in the U.S. could play an important role in the reconstruction of Iraq's infrastructure. U.S. agricultural cooperatives could also contribute to the reconstruction. Mr. Weihe encouraged USAID to consider these important resources, rather than relying so heavily on the for-profit sector.

Mr. Wherry pointed out that Maryland has an electrical generation capacity of 13,000 megawatts, compared to the electrical capacity in Iraq of 9,000 megawatts (of which only 4,000 are now operating). He said that now is the time to move to the next step, away from central government controls. However, since the Iraqi people are comfortable with large, centralized organizations, it will be a big transition. There are also regulatory systems that need to be put into place to allow participation by cooperatives and smaller entities. The services have to be delivered quickly, and more efficiently than in the centralized system.

A participant asked for clarification on the contracting authority in Iraq and Washington, D.C., particularly as related to the Office of Transition Initiatives (OTI).

Mr. Wherry replied that there is a regular USAID mission in Baghdad that is managing the contracts that were initiated in Washington to get the reconstruction process up and running quickly. USAID contracting is subject to the Federal Acquisition Regulations (FAR). Open competition will govern contracting in Iraq from this point forward, since the situation has stabilized and is more predictable. Standard USAID accountability procedures will apply to these awards. The grants from OTI are generally $50,000 or less and involve fewer competitive requirements. Those grants are intended to get activities started quickly, but not to sustain long-term programs. In Iraq, OTI is now beginning to look at 12 and 18-month activities. The challenge for ordinary contracting is how to make awards faster and have as open a process as possible.

A participant inquired how education and related community organizations, including newly-forming parent-teacher associations, will be addressed under the supplemental funding bill.

Mr. Wherry responded that over 1500 schools have already been renovated and school kits will be available to approximately 1.2 million children. The Iraqis, themselves, decided which schools would receive the resources. In regards to the supplemental appropriations bill, less the $1 billion of the $20.7 billion is slated for a variety of governance, social, and economic development activities. He noted that there is a lot discussion about the large sum of money for "bricks and mortar." Mr. Wherry said that many people feel that there should be more money for basic services, including education.

A participant shared that Bechtel Corporation is subcontracting with hundreds of local engineering firms that are hiring Iraqis to do the work. The vast majority of the money is going into the Iraqi economy, not coming back to the U.S. in the form of subcontracts to U.S. groups.
George Folsom, ACVFA Member, commented that unless Iraqis see tangible improvements in their lives fairly quickly, it will be more difficult to conduct effective elections in the spring. It is absolutely critical to create gainful employment as quickly as possible.

Mr. Wherry said that USAID has tried to employ Iraqis whenever possible. It is a highly skilled society, with many well-trained professionals. Mr. Wherry referred the meeting participants to the Iraq page of [www.export.gov](http://www.export.gov) to view a list of subcontracts in Iraq.

PANEL DISCUSSION: "Post-Conflict Reconstruction: Strategies for Improving Our Work in Post-Conflict Environments"

Moderator: George Folsom, President, International Republican Institute, ACVFA Member

Mr. Folsom shared information on the status of the "Winning the Peace Act of 2003." The legislation was introduced last spring as a function of the report delivered by the Bipartisan Commission on Post-Conflict Reconstruction sponsored by the Center of Strategic and International Studies (CSIS) and the Association of the U.S. Army (AUSA). The Senate and the House introduced both bills in June. The Senate bill was introduced by Senator John Edwards from North Carolina and has two co-sponsors: Senator Reid (RI) and Senator Roberts (KS). The House bill was introduced by Representative Sam Farr from California and has eight cosponsors: Allen (ME), Hoeffel (PA), McGovern (MA), Wolf (VA), Doggett (TX), Leach (IA); Wexler (FL), and Woolsey (CA). Both bills were transferred to their respective Foreign Relations and International Relations Subcommittees. So far, neither committee has marked-up the bill, nor has any plans to do for the remainder of this session. The Senate plans to hold hearings in January. The two bills are different in many ways, including one noteworthy provision: the House version would establish a $300 million account, which is absent from the Senate version. The Senate may reintroduce its bill with this provision and other changes.

Mr. Folsom then opened the panel, noting that the discussion would extrapolate lessons learned from the panelists’ experience in order to make recommendations to improve the post-conflict reconstruction process. He emphasized that the focus is not solely in Iraq, but is also relevant to Bosnia, Sudan, Liberia, and other cases.

Ray Salvatore Jennings, Senior Fellow, U.S. Institute of Peace

Mr. Jennings shared his perspective from being in the field in conflict environments in Bosnia, Serbia, Kosovo, Sierra Leone, Afghanistan, and Iraq. Mr. Jennings worked with the USAID Office of Transition Initiatives (OTI) and a number of U.S. NGOs in those countries.

Mr. Jennings remarked that in Bosnia, his first post-conflict situation, the normal rules of development did not seem to apply. Mr. Jennings was trained in political sociology and taught about social interaction before going to Bosnia. He said that may of the rules and theories that he taught seemed to disintegrate before his eyes in Bosnia.
Mr. Jennings suggested that he was seeing Newtonian physics at work in a quantum environment. Many development organizations, including USAID, have embraced the principles that are akin to Newtonian physics, principles such as linearity, sequentialism, compartmentalization of knowledge, separation between the observer and the observed, and static ideas about social change. Mr. Jennings remarked that these assumptions made less sense than using the lens of quantum mechanics.

According to Mr. Jennings, the lens of quantum physics and even chaos theory, introduces the idea that change is constant. In addition, there is an interrelated aspect of the features in a post-conflict environment. For example, democracy and governance programs are interrelated, and may depend on the success of the media program.

Another feature of quantum mechanics is that small influences can produce large outcomes. For instance, if a guard at a military compound happens to bully the wrong individual it may have a dramatic outcome. Mr. Jennings provided an example from his work in Serbia, in which a small grant was given to a student group that developed into a large civic group and was eventually instrumental in overthrowing the Milosevic regime.

Mr. Jennings remarked out that organizations are designed around certain principles, which make their responses somewhat predictable. USAID and many NGOs that Mr. Jennings has worked with are built around principles that resemble those of Newtonian physics. Response mechanisms are devised in compartments. It is not often that USAID and its partners build into their strategy an awareness of their own operational impact. In addition, there is a general understanding that bigger is better, rather than openness to how well-targeted small amounts of assistance may have very significant outcomes.

Mr. Jennings commented that *Play to Win*, the report of the Commission on Post-Conflict Reconstruction, acknowledges some of these shortcomings, but the report is thin on concrete recommendations for how USAID could address these shortcomings. Mr. Jennings offered the following observations.

Political transition activity is at the heart of a war-to-peace transition. It should begin on day one, not after relief is provided and not after the security environment is consolidated. Mr. Jennings pointed out that the task framework that accompanies the *Play to Win* report proposes a rather linear sequence of initiatives.

USAID, for example, responds to post-conflict environments in a phased manner by deploying DART teams, then OTI, and then long-term development programs. Mr. Jennings advocates that in immediate post-conflict situations there should be a "Start" team including members from all offices in USAID, as well as civil-military affairs people, along with the regular technical experts that go out with the DART. This comprehensive team of experts should develop a political transition strategy that is not offered in compartments, but rather uses all the talents and insights from the different offices in USAID. Mr. Jennings noted that this approach would require leadership in USAID to make it happen. Mr. Jennings remarked that there was a joint OTI-DART team for Iraq. There were some problems, but it was a good start.
Second, Mr. Jennings recommended that the wide variety of response offices that exist within USAID be consolidated into one, including transition experts in OTI and response technicians in OFDA. This would fit the Play to Win Recommendation for a post-conflict response unit within USAID.

Third, Mr. Jennings said that it is time to examine how USAID and NGOs may exacerbate conflict in their operations. USAID should look closely at hiring practices, and how contracts are awarded to local entities. It is necessary to minimize the distortion impact of the aid community. For instance, Kabul is now one of the most expensive real estate markets in the world, thanks to U.S. presence. The methods used to implement programs have an impact on the program itself, which is often not recognized. Mr. Jennings proposed that field staff undergo cultural awareness and post-conflict training. He concluded with the suggestion that reformers start with small steps such as these.

Elizabeth Kvitashvili, Acting Director, Office of Conflict Management and Mitigation, USAID

Ms. Kvitashvili discussed her experiences working with USAID in Afghanistan over the past year and a half. She said that she hopes that some of the lessons learned can be applied to other post-conflict situations.

Rehabilitating conflict-torn countries to avoid a resurgence of extremism remains, as the World Bank described it five years ago, "a critical step in the continuum between humanitarian relief and longer term development assistance." Ms. Kvitashvili remarked that despite media reports, USAID's impact in supporting development over the past 18 months in Afghanistan has indeed been positive. Both U.S. and the international community's efforts in Afghanistan have entailed a careful, selective, and incremental delivery of aid that has improved the daily lives of millions of Afghans. However, Ms. Kvitashvili said that there is a risk of losing those gains if the security situation is not addressed effectively.

Ms. Kvitashvili commented that the first lesson that can be drawn from Afghanistan for other post-conflict situations is that local government and members of civil society must be convinced that the U.S. is not going to abandon them.

The delivery of rapid, targeted assistance and the enhancement of a secure environment helps to build confidence that they will not be abandoned.

Second, Ms. Kvitashvili stated that there is a need to be able to demonstrate the ability of national governments to deliver assistance. If not for the national and regional roads, irrigation systems, schools, and clinics that USAID is helping to reconstruct, the new government in Kabul could not point to demonstrable improvements following the ouster of the Taliban. Reaching out to active civil society groups and other local groups helps local inhabitants realize a more participatory role and gain ownership of the reconstruction of their country. It is vital to focus on attaining local ownership of projects and maintaining a continuing dialogue with the community.

Support for programs that matter to the local populations must take priority. In Afghanistan, Ms. Kvitashvili said the priorities included roads, seeds and fertilizer, irrigation canals, schools,
clinics, and the provision of basic social services. USAID’s work in Afghanistan shows how meeting immediate humanitarian objectives can be dovetailed into planning for the next stages of development, fostering a better overall enabling environment for more traditional aid.

USAID also learned that agencies must ensure the repatriation and resettlement of refugees and internally displaced persons to a secure environment and to provide sufficient wherewithal to restart their lives. In addition, it is clear that kick-starting basic economic activity is critical in order to improve livelihood and food security.

Ms. Kvitashvili emphasized that security is of paramount importance, and that donors must ensure the restoration of local security for protection of person and property.

Ms. Kvitashvili also learned the value of setting realistic expectations so that disappointments over what can be accomplished given the level of resources and the security environment are minimized. It is important to maintain credibility by explaining to partners and local populations what is doable and what is not doable. In Afghanistan, unfortunately, every community expects a school, a clinic, a road, a well, or an irrigation system, but the reality is that not everybody is going to have those facilities and services. One has to maintain a realistic level of expectations. According to Ms. Kvitashvili, it is critical to push the envelope and show that results within three to six months are achievable. This gives people hope that things will get better. Ms. Kvitashvili said that a long-range time frame for results in a post-conflict era kills initiative and dampens hope. In Afghanistan, it is this tremendous hope for a better future that has led to the extraordinary return of refugees and a tremendous burst of small-scale entrepreneurial activity throughout the country.

Ms. Kvitashvili presented slides pertaining to the work of USAID in Afghanistan. The first and foremost priority in Afghanistan is the establishment of a nation that is inhospitable to international terrorism, drug trafficking, and cultivation. Other U.S. government objectives include establishing a country that is at peace with its neighbors and is able to provide its own internal and external security, and self-governing country with peaceful political change. Ms. Kvitashvili stated that USAID still has a long way to go to meet these objectives.

USAID is encouraging the self-financing of public sector services and the development of a market economy. Perhaps the most important objective for USAID is the improvement of social indicators in the education and health sectors. This includes increasing access to education and reducing the level of child and maternal-infant mortality and morbidity rates, which are among the worst in the world.

According to Ms. Kvitashvili, USAID has been relatively successful in the area of reintegration of refugees and internally displaced persons. USAID is trying to introduce a respect for human rights, specifically for women, ethnic and religious minorities.

Ms. Kvitashvili remarked that there are three ongoing phases of assistance in Afghanistan. All three phases began at once, after the reintroduction of USAID in January of 2002. USAID is funding humanitarian programs, transitional programs, and long-term reconstruction programs.
Ms. Kvitashvili provided an example of OFDA funded cash for work programs. A number of NGOs are involved in rehabilitation and small-scale infrastructure projects that provide cash to people as an alternative to free food aid.

OTI is doing some of these same small-scale rehabilitation activities, again using cash for work through NGOs, but the objective is to empower communities to make decisions about local development. USAID's long-term development portfolio includes many of the same rehabilitation projects, but with the objective of the completion of an asset. All three phases of assistance are ongoing in Afghanistan today.

USAID made significant progress last year, as a result of a tremendous amount of food aid being provided. The Americans and the Europeans supported the World Food Programme (WFP) in helping to prevent the starvation of up to ten million Afghans. With the support of a number of NGOs, over one million vulnerable Afghans were kept from freezing to death. A significant amount of food was positioned prior to the winter in order to be able to move it more quickly as the need arose.

Ms. Kvitashvili commented that this year, USAID will deliver food through the WFP and NGO partners to approximately 1.3 million people. That contrasts that with 10 million people last year. The success is owed to a better harvest, rains, and a rebirth in the agricultural economy of Afghanistan.

Ms. Kvitashvili highlighted some of the key activities funded under the transitional phase. The U.S. government provided funding for the emergency Loya Jirga and continues to provide funds to the Afghanistan Reconstruction Trust Fund. The U.S. introduced a new currency and has helped provide the Afghans with a stronger Central Bank. One of the key elements of USAID's program is that assistance has been provided across all provinces in Afghanistan to avoid the appearance of favoring one ethnic group over another.

In closing, Ms. Kvitashvili presented three prerequisites for success based on the experience in Afghanistan. First, and most important, is security in the countryside. Without security, people will not invest in the future. The second prerequisite is the disarmament, demobilization and reintegration of warlords, militia, and youth. That is critical for the success of the rehabilitation of the country. Third is an adequate level of funding for the reconstruction process.

Ronald Johnson, Senior Vice President, International Development Group, RTI International

Mr. Johnson discussed RTI International's experience in the reconstruction of Iraq. Although RTI has been operational there for only five months, some of the lessons from the company’s previous experience seem to be working fairly well.

Mr. Johnson shared a statement by one of his colleagues, "a day of work in the home office is like a week in Iraq." The message relates to a lesson learned about the speed with which one has to work in this type of situation. Mr. Johnson remarked that in his opinion USAID got it right from the beginning. The DART team, OTI team, and two of the technical assistance contractors entered Iraq within two days of each other. They started their programs almost simultaneously.
and continue to work together on programs today. The effort is well coordinated among the
different contractors and offices with activities taking place simultaneously based on
comparative advantage, rather than phased.

RTI in involved in the local governance project in Iraq in 16 of the 18 governances. Mr. Johnson
stated that Iraq was characterized by an extreme centralist government with no institutions of
governance at the local level. All employees of governmental agencies, wherever they happened
to be located, were associated with central government ministries. The entity of local
government as a decision-making institution simply did not exist in Iraq before the war. The
repressive nature of the regime and lack of attention to basic needs, particularly in the south,
resulted in a system in which basic services at the local level simply were not functioning.

The premise behind the RTI program is to develop political processes and political institutions at
the local level that will enable citizens to hold local governments accountable for delivering
basic services and responding to citizens' needs and priorities. The program is also intended to
strengthen civil society organizations and non-governmental organizations at the local level, to
enable them to perform those acts of holding government accountable.

Mr. Johnson remarked that RTI works with community-based organizations to enable them to
interact with local governments and represent the priorities of the people to the local
government. Mr. Johnson stated that Iraqis are now taking control and setting priorities for
themselves. The key message about what is happening in Iraq at the local level is that Iraqis are
taking greater responsibility for making decisions and for the outcomes. This is a very positive
step.

Mr. Johnson described the local governance program in a post-conflict situation. First, a
program establishing or reestablishing, a system of governance in which the local institutions
have some authority and have some autonomy to act on their own promotes a pluralistic society.
A pluralistic society creates conditions or allows conditions in which debate and discussion is
legitimized.

In local governments in Iraq one now sees people willing to speak up amongst their colleagues,
express differences of opinion, and recognize a responsibility to resolve conflicts and make
decisions. That was not the case in Iraq before the program started simply because the
opportunity to speak out on political issues did not exist.

Mr. Johnson remarked that the second element of a local governance program is to provide a
framework for the emergence of leadership. The local governance program in Iraq is already
creating the framework in which local leaders are emerging, leaders that would have not been at
all acceptable in the previous regime.

The third element, a program that operates at the local level provides an experimental laboratory,
in which the society can try on a smaller scale representative institutions and processes. It is
very difficult to experiment at the national level.
Mr. Johnson reminded the audience that Iraq is a multi-ethnic society. He described the local
government council in Kirkuk, a very diverse area. The local council has evolved into a body
that is willing to take on difficult issues, such as land tenure, and work with the various ethnic
groups in the area to solve problems. Mr. Johnson said that while everything is not fixed, it is an
example of Iraqis taking responsibility and making decisions themselves.

Mr. Johnson remarked that working at the local level is very rewarding because it is relatively
easy to produce near-term, tangible results. People in Iraq had very low expectations about
government and many viewed government only as an engine of repression. Having government
institutions that are responsive to people is new for Iraq. Local government programs provide an
opportunity for citizens to see that there is a benefit from participating in activities linked to the
government, and it demonstrates that local government can be a public sector institution for
positive results.

Finally, governance programs focusing on the local level in reconstruction situations strengthen
the effectiveness of "technocrats," or service department officials. As an example, Mr. Johnson
said that water treatment plants in Basra are using a small grant to enable them to measure and
monitor water quality. It provided them with the opportunity to exercise their professional
judgment and demonstrate their willingness to be held accountable.

In summary, Mr. Johnson stated that there are now tangible and visible ways in which Iraqi
citizens can see government as a force for positive results. Citizens now have the opportunity,
either acting as individuals or through community-based organizations, to influence priorities
and outcomes. Mr. Johnson said that the biggest fear that people have in Iraq at this point is that
the Coalition will leave too soon. Iraqis are willing to take responsibility for themselves, but
they are looking for a commitment for continued support. He remarked that Iraq illustrates the
importance of having a major program focused on developing local institutions, both
governmental and non-governmental.

Judith Hermanson, Vice President, CHF International

Ms. Hermanson focused on CHF’s experience in Iraq. She said that any reconstruction strategy
should include the community level. Reconstruction is a set of activities that must take place
simultaneously at all levels of society. She said that hope is also an extremely important
component of reconstruction.

Ms. Hermanson stated that reconstruction does not lend itself to a cookie-cutter approach. Even
though the methodology used by CHF in the community action program is has been used in other
places, it has been adapted to the particular circumstances in Iraq. She said that the bottom-up
approach can facilitate effective reconstruction and be a catalyst for long-lasting positive change.
It is also important to acknowledge that reconstruction is not in itself nation-building, although
there may be some debate about this.

Ms. Hermanson pointed out that the community action program has a particular methodology
that goes beyond getting a community together to undertake some projects and then leaving. The
program has mutually reinforcing components and helps to build the habit of democracy. It
gives hope, responds to priorities of the community, and creates a certain amount of economic opportunity.

CHF is working in an area of Iraq that was very neglected under the prior administration. The people were at first suspicious, but extremely welcoming once credibility and trust had been established. Ms. Hermanson echoed Mr. Natsios’ comments that there are good things happening in Iraq, and they are happening on a micro level as well as on a larger scale. Ms. Hermanson showed a slide with comments from program participants including the following: "This is the first promise I have witnessed in my life become a reality."

Ms. Hermanson remarked that in order for a program to be effective it must achieve tangible results rapidly and cost effectively. The product itself validates the process that is gone through to reach the product. CHF has a very specific methodology of participation and forming community associations. The methodology includes a mentored priority-setting process.

Ms. Hermanson noted that it is important to move quickly so that the contracting process can take place and the project can be realized. People need to see positive results. Ms. Hermanson underscored the point that this is democracy at a very, very basic level. She said it is also very important to establish plans for sustaining the project, the maintenance and so forth after the initial realization. Ms. Hermanson remarked that community ownership and control are very important. The community itself must feel that it has a stake in the process.

The five organizations implementing the community action program in Iraq have met their targets -- 57 projects in 90 days -- in 130-degree heat; people in lockdown situation; contractors who didn't know about bidding process; and communities that were suspicious. It was quite a considerable feat. The projects have generated a significant amount of employment. Ms. Hermanson also pointed out the level of participation. On the one hand, the program is designed to generate income and immediate economic return for the community members. On the other hand, inculcating a sense of ownership and participation requires some part of their own contributed time and labor.

In order to be able to operate effectively in Iraq, CHF has chosen a multinational staff. They have a staff of approximately 200 in Iraq, eight of whom are expatriates. Four of the expatriates are American; two are women. CHF has hired Iraqi people who know the communities. They have been key in establishing credibility at the local level.

Ms. Hermanson remarked that CHF has strict security protocols. The situation is monitored on a regular basis. However, CHF does not wall itself off from the community. Related to security is the handling of money. CHF tries to minimize the predictable handling of large sums of money, but it is a challenge.

On the issue of transparency, Ms. Hermanson said that CHF has an open bidding process. This is a new science in Iraq. Communities rejected some of the people who were seen as people from the old regime. CHF tries to model behavior -- doing projects on time, in budget, and with results.
Ms. Hermanson stated that the program has started to level the playing field. There is community control and an emerging sense of ownership. Jobs have been created and money infused into the local economy. Seventy-seven community associations have been formed and 2,247 people have been trained, although only about 300 are women. Ms. Hermanson said that CHF needs to work on increasing the participation of women in the training programs.

Ms. Hermanson commented that she is interested in how security systems are being linked to what is happening at the local government level. CHF is working in places in which the local people provide the security with AK-47s. They are doing their own community policing. Disarmament is an issue. People are using their arms to protect the investments that they are making.

Ms. Hermanson said that local economic development is essential for the medium term. She suggested in terms of the community action program to integrate an economic development component from the start. CHF has started some micro-finance activity to respond to a huge demand for loans.

Ms. Hermanson commented that there are many opportunities for service delivery and economic advancement in Iraq. She referenced an International Labor Organization paper on the role of cooperatives in crisis situations. That could certainly be an effective strategy in Iraq.

On the topic of service delivery Ms. Hermanson said there is a need to look at community delivery of services as a way of creating economic activity as well as solidifying these fledgling organizations. Also, enough resources have to be allocated to get the job done. This is an important issue that policymakers have to consider.

She emphasized that it is important to continue to foster the basis of democratic society. As an investment in democracy and stability these associations are really worth nurturing. Ms. Hermanson said that in her opinion, the community-based approach is working in Iraq. Effective reconstruction requires broad-based grass roots support from communities experienced in democratic processes and hopeful for the future. Ms. Hermanson remarked that this model applies in Iraq, Afghanistan, Sudan, and in most any place where there are people who have been excluded from a democratic system, where there are under-invested communities, and where people are remote psychologically as well as in distance from the government.

She also believes that scale can be reached through this kind of methodology. With the methodology, professional support, and people willing to work, it is a great engine for development. She emphasized the importance of paying explicit attention to the community level, not just the local level. Ms. Hermanson closed by saying that the U.S. of all countries understands and should model bottom-up progress.

**QUESTIONS AND ANSWERS**

A participant asked about the participation of women in the reconstruction programs in Iraq.
Mr. Wherry replied that USAID takes the issue of women in development very seriously, and will take steps to ensure the participation of women in education and economic development activities. He said that one of the first casualties of a conflict is the rights of women. One must be careful that the erosion of rights does not remain.

Ms. Kvitashvili remarked that in the case of Afghanistan USAID has taken the issue of women's rights very seriously. The U.S.-Afghan Women's Council was created over a year ago and meets regularly both in Afghanistan and the United States. The Council generates donations from the U.S. corporate sector to assist Afghan women's projects, working closely with the Afghan Women's Ministry. In addition, USAID received earmarked funds for women's programs, although the preference is to integrate gender into all the programs.

Ms. Hermanson replied that CHF requires that women be represented in local groups and associations. It is a ground rule, but is set forth in such a way that it is not seen as an imposition of Western culture. At the same time, CHF tries to model the full participation of women in their staff and program activities.

Mr. Folsom added that IRI has women's leadership identification and training programs for political candidates in many countries. In Iraq, IRI helped establish the Iraqi Foundation for Democracy and Development to provide a political space for Iraqis to come together and debate issues. The constitution is first on that list, but issues such as the role of women in Iraqi society will also be addressed.

Mr. Johnson commented that in Iraq women were a highly educated segment of the population in the previous regime. Many of the professionals working in the city technical departments are women engineers, lawyers, accountants, and doctors. There is a significant role currently for women in Iraqi society. He also said that there are a substantial number of women's groups emerging at the community level. It is not clear that the condition of women has deteriorated drastically.

A participant asked Ms. Hermanson if she agreed with Mr. Jennings' assessment that the normal rules do not apply when working in post-conflict situations.

Ms. Hermanson replied that she agrees with the premise that things are often not what one would expect in a post-conflict situation. She said that one must adapt models in any situation because the circumstances are always different. CHF tries to incorporate a development aspect in its programs from the beginning.

A participant suggested embedding development experts in military teams in conflict situations.

Mr. Wherry noted that there is a cultural divide between the military and the development community. He said that the Civil Affairs Officers that he worked with were very dedicated and professional. The problem with embedding development workers may be finding people willing to be embedded.
Ms. Kvitashvili added that in Afghanistan there are Provincial Reconstruction Teams, led by the U.S. and Coalition military in four cities, expanding to eight. There are Embassy, Department of State, and USAID officers embedded with those teams. The teams combine security and reconstruction, and work with counterparts from the government, NGOs and the UN. This approach started in Afghanistan, but may have application in other countries.

Mr. Jennings said that it is important to mirror the environment in the structure of the organization. If the objective is decentralized decision-making, one's own organization needs to be somewhat decentralized. It is also necessary to have constant meetings about how to refine the strategy. He said that it is important that the civilian workers and the military try to understand one another and work together. If Iraq ends up being a model for future engagements, then the civilian/military relations will be absolutely vital to develop and improve.

Mark Engman from Christian Children's Fund said that in the region of Afghanistan where CCF works there is a Provincial Reconstruction Team (PRT), but they do not provide security. He commented that the U.S. government doesn't seem to have a policy that requires implementers to ensure that they don't exacerbate risks to vulnerable populations, particularly women and children.

Mr. Jennings stated that in Iraq, building trust is one of the biggest challenges. It takes a long time to build trust, and it can be undone very quickly. There are some things that can be improved on the operational front, including cultural sensitivity. Those kinds of things are often overlooked, but may be very important in terms of ultimate impact.

"Update: The Millennium Challenge Account/Millennium Challenge Corporation"

Patrick Cronin, Assistant Administrator, Bureau for Policy and Program Coordination, USAID

Mr. Cronin prefaced his remarks by stating his view that global poverty and inequality in the world is unacceptable. Unless something is done about it, the next generation will face even bigger problems. Global poverty does have an impact on security as well as on who we are as Americans and as a donor community. Today, the U.S. is clearly focused on high-security issues. However, Mr. Cronin remarked that it is important to see beyond the security issues and the campaign on terrorism. He said that while the U.S. is fixated on those urgent tasks, it must not lose sight of the very important long-term development issues. The Millennium Challenge Account (MCA) is central to bringing together a bipartisan consensus for more effective development assistance. It is intended to bring the international donor community along with the U.S. to work on these issues with a long-term focus.

The Administration has boldly put forward a doubling of development assistance over an eight-year period. Money is a necessary but insufficient ingredient to bring about better development. There is also a need for better policy coherence, within U.S. policy as well as within the international community. Mr. Cronin said that there is also a need for good governance and political will. The absence of strong political will in partner countries will cripple chances of success. Donors must recognize that weak institutional capacity in these countries must be built up. When there are resources, policy coherence, and good governance, then wise investments
and long-term interventions have a chance to make development sustainable and bring about economic growth. Mr. Cronin said that is what the MCA is really about.

Mr. Cronin remarked that for the past three months the Interagency Working Group has been working to embed the guiding principles of the President's vision of the MCA. Those principles can be distilled into three. The first principle is the focus on the poverty reduction and economic growth. That is the ultimate goal of the program.

The second principle is partnership with the better-performing countries, countries in which there is political commitment. Partnership is a two-way street. The Millennium Challenge Corporation (MCC) is focused very much on a consultative, collaborative process that does not try to replicate existing mechanisms, but uses them as a springboard to go forward. Third, the MCA focuses on improving the transparency, accountability, and objective measurement of programs.

The Interagency Working Group has been working on a broad set of operational issues, as well as the more detailed process of moving from country selection to implementation and monitoring. The group has developed a book, which is still a work in progress, of ideas, options, and recommendations.

Mr. Cronin outlined some of the operational processes as they might take place. After a country is selected, which might take 30 to 60 days, the President would notify the country of its selection. The country would then appoint an interlocutor to be its representative. The MCC would then dispatch someone to the country. There would be country analyses on a number of issues, including fiscal accountability, and a coordinating group would be set up within the country.

The next step would be to identify the strategic overarching goal of the MCA grant in that country. That would in turn become a framework for a more detailed set of requests for proposals, which could encompass a variety of programs related to the overall strategic objective. Mr. Cronin said that there could be some initial investments as part of that process. That could all be rolled up into what might be a contract that could go to a MCA board for approval. There would be a contract between the two governments with the initial grantees.

Throughout this process of implementation there would be an enormous focus on monitoring and evaluation. Extensive evaluations would be conducted at all steps. Mr. Cronin remarked that it is the monitoring and evaluation integrated into the MCA that makes it different from other donor efforts. He emphasized that the MCA is not just an enterprise fund or development done in old way, as some from the business community might fear, but rather is a true hybrid that depends on what makes sense on the ground in a particular country. It represents a flexible model for moving forward with oversight and transparency.

Mr. Cronin commented that the Interagency Working Group focused on trying to create an organization that is extraordinarily streamlined. The core competency of an MCC staff person is to be a broad, strategic player who can help ensure that there is a focused plan and that monitoring and evaluation are integrated into the program. Much of the management of the
monitoring and evaluation might be outsourced to third-party validators – local fund agents, as in the case of the Global Fund for HIV/AIDS, or other bodies. Most of the personnel working for the MCC would probably be outsourced as well to other government agencies, the private sector, or entities in the recipient countries, based on the comparative advantage of each.

Mr. Cronin said that there would also be a tremendous review to ensure there is maximum policy coherence. Mr. Natsios has taken a lead role to make sure that USAID is at the forefront of this. Mr. Cronin said that if there is a group of countries that missed the MCA requirements by a single indicator, USAID might play a leading role in helping those countries qualify the following year. This would bolster USAID’s credentials. He said the MCA could present a "win-win situation" for U.S. development programs.

Mr. Cronin thanked the ACVFA for playing a lead role in making sure that discussions about these important issues in development assistance take place.

**QUESTIONS AND ANSWERS**

George Folsom, ACVFA Member, asked Mr. Cronin about his outlook on the MCA legislation.

Mr. Cronin responded that the Senate Foreign Relations Committee got held up just before the August recess and couldn't extricate the MCA language from the rest of the State Department reauthorization. That raised a concern about the MCC. All along there has been the idea that at a minimum one could work with the appropriations committees to get the money appropriated for FY04 and still establish enough authority to get it started. Mr. Cronin said that this is a second-best solution. One way or the other, whether it is the authorization coming through, the appropriation or both, it could happen before Congress recesses in November.

Mary McClymont, ACVFA member, asked Mr. Cronin to explain the grant process in more detail.

Mr. Cronin, emphasizing that the options are pre-decisional and represent brainstorming by the working group, said that the first step is finalizing the country selection. The indicators are seen as flexible and subject to change. Countries will be selected and notified. Near-miss countries will also be notified. It will be very important for the U.S. government and the MCC to accomplish this process in a timely manner.

Mr. Cronin said that there will be visits to the country and initial discussions about the overarching goal and the strategic framework. Once they've decided on the goal and reached out to a consultative body at some level in terms of testing those ideas, there will be a MCC representative on the ground. Then, specific sub-goals would be developed. A country might consider what proposals are needed in order to create an educational system or promote trade and agriculture. They could be geographically focused or general. There is no cookie-cutter approach.

The consultative group meetings on the ground would build from civil society, the private sector, the government, and the donor community. Yet there would still be two interlocutors, one from
the MCC and one from the country to keep it focused. Mr. Cronin said that there would be a request for proposals for which everybody would be allowed to compete. The proposals would have to address likely results, sustainability, and complementarity with other existing programs.

At some point, there would be a recommendation and a mutual agreement between the recipient country and the MCC on an initial set of investments that make the first logical step toward that overarching goal. This would be written down in the MCA contract/bilateral agreement. It is assumed that there would be other investments down the line to support the overall goal. The money would then be disbursed based on performance. Regular reporting and the monitoring would inform a transparent debate because this would all be available on a website. There would be regular reports to Congress as well.

There is no assumption that in three to five years the MCA would have changed the world, but hopefully there would be some measurable results related to the overall goal that would help in determining whether or not there should be a follow-on MCA grant. Mr. Cronin emphasized that the MCA is a very flexible model, and the Administration and Congress want to keep it that way. There is a strong country ownership and partnership dimension. Mutual responsibility and accountability are built into the process. Mr. Cronin emphasized that his remarks represented a very general response about a huge number of discrete steps and options that have been raised by the Working Group.

Robert Chase, ACVFA Member, asked if Mr. Cronin could share his sense of the Administration's comfort level with the shape of the current proposed legislation and what impact his departure would have on the Working Group.

Mr. Cronin replied that the Interagency Working Group has been concerned about how to ensure the effectiveness of the MCC. It is essential to have acting CEO authority in order to start operations in advance of the confirmation process. Both the Interagency Working Group and the Administration agree that flexibility on procurement and hiring is crucial.

Mr. Cronin said that everyone wants to see the MCA work, but the difficulty is in how it will be operationalized. On the issue of funding, the President proposed $1.3 billion, the Senate looked at $1 billion, and the House $800 million. Mr. Cronin remarked that the Interagency Working Group is likely to be maintained. He emphasized the importance of enacting legislation to establish the MCC since the MCA is so important for the developing world and for American leadership in the developing world.

"Update: The Emergency Plan for HIV/AIDS Relief"
Anne Peterson, Assistant Administrator, Bureau for Global Health, USAID

Ms. Peterson remarked that a lot has happened in the past year with regards to the HIV/AIDS efforts, the most important of which is the $15 billion Presidential Initiative focused on 14 countries that represent 50 percent of the world's AIDS burden. Twelve of those countries are in Sub-Saharan Africa; two are in the Caribbean. USAID has a presence in 12 of the 14 countries, all except Botswana and Cote d'Ivoire.
Ms. Peterson said that the President and Congress have committed to do more than the U.S. government has ever done before in the area of HIV/AIDS. She also said that the authorizing language establishes a State Department office for a Global AIDS Coordinator. It also establishes some authorities for the head of that office, the AIDS Coordinator. The Presidential nominee, Randy Tobias, recently had his hearing before the Senate Foreign Relations Committee. Mr. Tobias is a former CEO of Eli Lilly and has been involved at the international chairmanship of AT&T. He has the management experience to take a huge, complicated, and very urgent task and move it to results very quickly. The public health and African expertise will come from USAID and the Department of Health and Human Services.

Ms. Peterson said that the other unfinished business relative to the President's HIV/AIDS Initiative is the outstanding legislation. The authorizing language is done, but the House and Senate versions are somewhat different. It is not clear what the result will be, but the White House prefers the Senate version.

Ms. Peterson remarked that there has been a lot of planning. She is part of a multi-agency steering committee that includes the Office of National AIDS Policy, Office of Management and Budget, Department of State, Health and Human Services, Health Resources and Services Administration, National Institute of Health, and Centers for Disease Control.

With regard to the Global Fund for HIV/AIDS, Malaria, and Tuberculosis, Ms. Peterson said things have moved forward. She will be attending the upcoming Global Fund meeting in Thailand.

USAID has also done a lot of work in its bilateral programs. They are expanding very rapidly. The regional programs are having a good outreach into some non-presence countries. The Commodity Promotion Fund that targeted non-USAID countries has been very successful. The number of condoms available has nearly doubled. That fund will be available for test kits and other AIDS commodities. It may also be available for the President's Initiative in those countries, if the Global Coordinator’s office so chooses.

Ms. Peterson said that USAID is pursuing many new partners and is expanding care and non-anti-retroviral (ARV) treatment. The ARV treatment started last year in three countries in three different kinds of programs. One is public sector with the government; one is a group of NGOs; the third one is linked to a Global Fund proposal. The aim is to learn as many different lessons as possible about how to do AIDS treatment in different kinds of settings. Ms. Peterson commented that things are moving very rapidly in the HIV/AIDS arena. It is very challenging.

**QUESTIONS AND ANSWERS**

A participant commented that in Sub-Saharan Africa, 58 percent of the people with HIV/AIDS are women. She expressed a concern that treatment regimens are not getting to women in an equitable fashion.
Ms. Peterson replied that there should be explicit programs for women as well as integrated efforts where HIV/AIDS is woven into all programs. There is no doubt that the gender vulnerabilities of women and girls are a driving force to the AIDS epidemic. USAID is in the process of trying to ensure that all prevention, care, and treatment programs consider gender vulnerabilities.

Charles MacCormack, ACVFA Member, asked how the President's HIV/AIDS Initiative would be managed and coordinated at the country level.

Ms. Peterson replied that the good news is that there are a lot of different agencies finally caring about and getting involved in AIDS. The difficulty is, of course, coordination. Ms. Peterson said there are two ways that coordination will be improved in the new model. First, there will be an overarching strategy in each country that will come centrally from Washington, DC. That will provide the broad parameters of what needs to be done in country and how different agencies can fit in. This builds on the model of the Mother-to-Child Prevention Program.

Ms. Peterson expressed her opinion that as this initiative is implemented, there will be a need for the coordination process to be ambassador-led, so that there is a single U.S. Government focal point. She emphasized that coordination will not be easy, but some countries, such as Haiti, have good coordination plans in place.

A participant commented that ambassadors have other responsibilities and might not be able to coordinate the HIV/AIDS program on a daily basis.

Ms. Peterson responded that USAID has been considering adding an HIV/AIDS leadership component to the work plan of the mission directors. The Department of State may do that with the ambassadors, as well. In many of the fourteen countries the largest proportion of the USAID budget is already going to HIV/AIDS, so this would not be a big stretch. Ms. Peterson noted that to be effective in combating HIV/AIDS, one has to build relationships with government and the private sector, which ambassadors and mission directors are already doing.

Ted Weihe, ACVFA Member, said that ARV drugs will not work without attention to nutrition. Good nutrition is essential to the success of any prevention or treatment program, and yet most of these countries are food-deficient countries.

Ms. Peterson agreed that nutrition is critical. USAID has been trying to link its programs to Title II food aid. She said that non-ARV treatment is important and includes things like treatment for tuberculosis, good nutrition, and safe drinking water. These are interventions that can extend life, so they can be considered treatments. Ms. Peterson said that it will take years to scale up the health systems to get ARV drugs to all the people who need them. Scaling up non-ARV treatments can keep some people alive long enough for the ARV systems to be developed so they can receive treatment. Ms. Peterson suggested that USAID needs more data on this and willing partners to work on it.

A participant asked about the time frame for rolling out the program.
Ms. Peterson replied that they will roll out the program as quickly as possible. They have been working very hard to get the pieces in place so that the program will be ready to begin when the legislation is passed. Ms. Peterson concluded that she hoped the new Global HIV/AIDS Coordinator would be able to give a full briefing at the next ACVFA public meeting in February 2004, and that the NGO community would hold the agencies accountable for progress in the 14 countries and in the U.S. bilateral programs.

Meeting Wrap-Up

William S. Reese, ACVFA Chair, thanked the speakers, staff, and meeting participants for their time and commitment. The next ACVFA meeting is scheduled for February 25, 2004.