

ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID

Public Meeting October 27, 2004

William S. Reese, ACVFA Chair, welcomed the ACVFA members, the US Agency for International Development (USAID) staff, and the meeting participants. Mr. Reese remarked that foreign policy and foreign affairs have been on the agenda recently in a way that they haven't been in a generation. He expressed his hope that these issues will remain part of the larger discussion in the coming years.

KEYNOTE ADDRESS

Roger Winter, *Assistant Administrator,
Bureau for Democracy, Conflict and Humanitarian Assistance, USAID*

Mr. Winter remarked that the Department of State has recognized the importance of fragile states and has recently restructured around this issue. Within USAID there will be some reorganization that relates to a counterpart capacity.

Mr. Winter listed three considerations about fragile states:

1. Protection of civilians
2. Conflict and failed governance
3. Internally displaced people (IDPs)

Mr. Winter said that the situation in Darfur is the most difficult humanitarian situation in the world today. He provided a brief history of the situation. Sudan has been involved in civil war for most of the years since its independence in 1956. The years of conflict have resulted in some of the most destroyed places on the Earth.

In 1988 and 1989 the Sudan People's Liberation Movement (SPLM), the representative of the South, and the Government of Sudan (GOS) were moving towards a peace agreement. That movement allowed the creation of Operation Lifeline Sudan (OLS), which provided humanitarian assistance. The peace agreement was aborted after a coup in 1989.

The GOS established a number of clear patterns as it resumed the war:

- Dividing populations in order to rule
- Mobilizing ethnically based militias
- Racism approach towards ethnicity
- Manipulation or denial of humanitarian assistance through OLS
- Targeting of civilians and civilian institutions
- Uprooting, dispersing, and destroying "enemy" civilians
- Making, but not keeping, commitments to the international community

The war in Sudan produced 2.5 million civilian deaths, 4.5 million IDPs, half a million refugees outside the country, and millions of exiles.

Beginning in 1994, there was a resurgence of the southern military initiative. About this time, there developed a bipartisan, well-informed constituency in the US that was able to exert pressure on the US government to get involved. In 1996, the US Congress promoted the provision of humanitarian assistance through non-OLS agencies.

In 2001 the US had three objectives in the Sudan peace initiative:

1. Ensure cooperation on counter-terrorism issues
2. End the war
3. Provide humanitarian assistance to all needy populations

USAID used humanitarian assistance as an entry point into the political process. In late May 2001, the US announced the de-politicalization of humanitarian assistance in Sudan. Shortly thereafter, USAID started providing air lifts of food.

In 2003, a new war began in Western Sudan. Later that year the GOS engaged a rebel group called the Jingaweit that began a process of ethnic cleansing and permanent displacement. USAID responded with a large humanitarian program, involving more than \$300 million so far. Mr. Winter closed by relating a story that illustrated the responsibility of governments towards their populations.

DISCUSSION

An ACVFA Member asked how the international community could ensure that the international forces would be increased in numbers and given a broad mandate for protection of civilians. Mr. Winter replied that the enhanced group of African Union (AU) forces should be on the ground by the end of November. There will be a meeting of the UN Security Council in November that will put pressure on all parties to collaborate in a broader program of protection and security.

An ACVFA Member asked about the "peace dividend" for Southern Sudan. Mr. Winter replied that USAID wants to keep the Southern program on track, with the resources allocated for that purpose.

THE NEW USAID AGRICULTURAL STRATEGY

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

Ms. Simmons remarked that the FY2000 Title XII legislation defined agriculture as the science and practice of activities related to the production, processing, marketing, distribution, utilization, and trade of food, feed and fiber. The new agricultural strategy maintains that marginally improving the lives of subsistence farmers is not enough. Agriculture should be a key part of a vibrant, modern economy.

USAID's new agricultural strategy has four themes:

1. Expanding global, regional, and local trade opportunities

2. Improving the sustainability of agriculture
3. Mobilizing science and technology, and fostering the capacity for innovation
4. Broadening agricultural training, outreach, and adaptive research

The establishment of the World Trade Organization has opened up new trade opportunities. New bilateral trade agreements are also strengthening the opportunities for agricultural trade. Agricultural production has increasingly grown to be a focal point of the Africa Growth and Opportunities Act.

The strengthening of local capacity to understand natural resource management and to benefit from it is fundamental to the new strategy. USAID is also focusing on endangered organisms through the Global Crop Diversity Trust and other seed bank efforts.

Policy is a key issue as nations take on the responsibility of implementing global environmental treaties and agreements. Biosafety has emerged as an important issue. USAID can provide assessment tools to help countries develop sustainable agricultural strategies.

Globalizing science and technology addresses the capacity to improve the productivity of plants and animals. Ms. Simmons said that the use of biotechnology to increase productivity and increase resistance to pests and disease is an essential tool. Research and development translates science into technology, and is key to increasing productivity. Adapting technologies at the local level, bringing top-level science into the agricultural arena, is critical.

Ms. Simmons remarked on the importance of building human capacity. She said there is a need to train a new generation capable of leading science and technology efforts in developing countries.

USAID is exploring public-private partnerships and networks. Private companies possess the intellectual property rights to technologies that could be incredibly valuable to the developing world. However, without intellectual property rights agreements, those technologies will not be available to the developing world.

Ms. Simmons described some important crosscutting themes, including food security and nutrition, health and HIV/AIDS, risk management, gender equality, and good governance.

DISCUSSION

An ACVFA member inquired about resource allocation under the new strategy. Ms. Simmons replied that the agricultural strategy will be implemented with resources from agriculture, environmental, and economic growth programs.

A participant asked about establishing legal frameworks for titled property rights. Ms. Simmons responded that USAID has a core grant with the Institute for Liberty and Democracy. The BASIS Collaborative Research Support Program led by the University of Wisconsin also addresses these issues.

PVO/NGO PANEL: FRESH FROM THE FIELD PERSPECTIVE

Moderator: Ben Homan, *President, Food for the Hungry*

Mr. Homan commented on the significance of the panel meeting at 11:00 a.m. to discuss an 11th hour situation. He read 11 words from 11 lines of a testimony about Darfur by Secretary of State Colin Powell: "suffering, violence, atrocities, destroyed, confiscated, struggling, desperately, stark, raping, killing, and impeded."

Bill Garvelink, *Deputy Assistant Administrator, Democracy, Conflict and Humanitarian Assistance Bureau, USAID*

Mr. Garvelink said that 2.2 million of the 6 million people in Darfur are at risk. There are 200,000 refugees in 11 camps in Chad, and 1.6 million IDPs in 140 camps or settlements in Darfur. Only about half of the settlements are accessible by UN agencies and NGOs. He said the number of IDPs is increasing and there may be additional refugee migration to Chad.

Mr. Garvelink remarked that the humanitarian infrastructure in Darfur is robust and growing. NGO expatriate workers now number over 700. There are over 50 NGOs active in the area. USAID's Disaster Assistance Response Team (DART) has about 17 people on the ground.

In June, Administrator Natsios pledged \$299 million in assistance through FY05. So far, \$302 million has been spent. Of that, \$75 million has gone to assisting refugees in Chad. Mr. Garvelink said that there are still humanitarian assistance gaps. Some IDP settlements have been missed and only partial rations have been provided to others due to security and geographical problems.

Mr. Garvelink predicted that the situation in Darfur will get worse before it gets better. The GOS is placing bureaucratic obstacles in front of humanitarian workers and the security situation is worsening.

Jeff Drumtra, *Senior Advisor on Internal Displacement and Protection, Bureau for Democracy, Conflict and Humanitarian Assistance, USAID*

Mr. Drumtra said that the situation in Darfur is now entering a new phase. Massive burnings, killings, and rapes marked the first phase. Phase two was the gradual ramping up of humanitarian assistance. Now, in the third phase the violence is ratcheting up again and some administrative obstacles are being put back in place by the GOS.

He said that it is hard to identify the cease-fire in Darfur. The GOS is depopulating the countryside as a matter of social policy and military strategy. In South Darfur alone, the AU cease-fire coalition is dealing with 140 alleged violations in a 12-week period. Banditry is also on the increase and the violence could worsen at the end of the rainy season.

Mr. Drumtra described the camps as very volatile. People are both intimidated and angry. The attitude in the camp is one of immense trauma and loss. There is still a high level of fear. Some of the worst IDP camps are little better than outside prisons. People in the worst camps are afraid to step outside their huts for fear of being beaten, raped, or killed. Mr. Drumtra called this a second wave of exploitation. There is a great deal of emphasis within USAID to increase protection and security.

Lauren Landis, *Director, Office of Food for Peace, USAID*

Ms. Landis said that the US has been quick and generous in its response to Darfur. WFP made its emergency appeal on April 8 and the US committed 30,000 metric tons of food by April 14. The first shipment of commodities were into Port Sudan by May 20. To date, the US has provided \$112 million in food assistance to Darfur and \$27 million of aid to Chad.

Ms. Landis remarked that the food situation is still very precarious. Due to the insecurity, the rainy season, the bureaucratic delays, and the logistical challenges of getting food to remote locations, a full ration is not reaching all locations on a regular basis.

The end of the rainy season will allow for more food delivery by truck, provided there is stability. Up to now food has been delivered using a combination of road, airlift and airdrop, a very expensive set of transportation mechanisms.

Due to the protracted nature of the crisis and the potential for the situation to worsen, Ms. Landis said that food aid needs are expected to increase for 2005. The harvest appears to be only about 20% of normal. The coping capacities of local communities are weakening. As a result, there may be more movement into camps. Ms. Landis remarked that the cost of the Darfur operation is tremendous, an estimated \$200 million in 2005.

Nancy Aossey, *President, International Medical Corps (IMC)*

The IMC has worked in South Sudan since the mid-1990s. They established a presence in the camps in Chad in early 2004, and more recently in Darfur. When IMC first sent teams into Darfur, they ran into tremendous logistical and political difficulties. Ms. Aossey noted the extraordinary leadership, both in Chad and Darfur, from the US government.

The situation in Chad is extremely tense and fragile. The local population of Chad is very poor and this crisis has had a terrible impact on them. IMC is very worried about

the ability of the camps to handle a new influx of people as the situation in Darfur worsens.

The NGO community recognizes the need for more coordination in Darfur and Chad. NGOs are forming informal partnerships to help each other operate more effectively. Ms. Aosse said that the IMC expects that conditions will deteriorate and challenges will increase in the coming months.

Christopher Daniel, *Senior Regional Representative for Africa, Catholic Relief Services (CRS)*

CRS has a 30-year history of working in Sudan. They currently employ about 250 staff in Sudan, with about 50 focusing on the emergency operations in Darfur. CRS also assists their local partner in managing three refugee camps in Chad.

Mr. Daniel said that the scale of the crisis in Darfur compelled CRS to reactivate programming in Northern Darfur and reestablish headquarters in Khartoum. He expressed his thanks to USAID and other NGOs that helped CRS get established in the region. Mr. Daniel discussed some of the significant issues in working in Darfur including challenges in identifying international staff, setting up effective communication and transportation systems, and providing security.

In August, CRS opened a field office in El Geneina to serve as their base of operations. Security is the number one issue within the IDP population. He remarked that living in physically and emotionally stressed environments is taking a toll on families.

CRS is now in the process of working with the DART team, finalizing implementation plans for a project that will focus on water, sanitation, and shelter. CRS hopes to incorporate crosscutting psychosocial support services throughout their programming.

Mr. Daniel remarked that vulnerable populations are still increasing. Reliable and comprehensive data on the situation is still lacking because the IDP movement is very fluid.

DISCUSSION

A participant asked about efforts to teach tolerance among the refugees. Mr. Garvelink replied that the focus has been on immediate life-saving efforts, but USAID is now looking at some conflict mitigation and civil society strengthening activities.

An ACVFA Member urged the international humanitarian assistance community to stand up collectively and request more troops on the ground in Darfur.

Another ACVFA Member inquired about funding for Darfur efforts. Mr. Garvelink said that USAID does not want the emergency in Darfur to bankrupt its development efforts in the rest of the world.

UPDATE ON THE GLOBAL DEVELOPMENT ALLIANCE (GDA)

Holly Wise, *Director, Global Development Secretariat, USAID*

Ms. Wise remarked that the ACVFA has been a key venue for sharing developments on the GDA approach with NGO community. USAID has also appreciated and benefited from a GDA subcommittee of the ACVFA.

In the 1970s about 70% of the resources that flowed from the US to developing countries were classified as official development assistance (ODA) and 30% were private flows. In 2000, the numbers reversed with 80% of resources from private sources and only 20% from ODA.

Ms. Wise shared four characteristics of successful alliances:

1. Joint definition of the development problem and its solution
2. Innovative approaches
3. Sharing resources, risks, and rewards
4. Leveraging significant non-federal dollars

Ms. Wise discussed the external assessment of the GDA, the Executive Summary of which is available on the GDA website. The methodology included an internal survey, queries of external stakeholders, and visits to ten countries.

In 2002 and 2003 there were approximately 200 alliances into which USAID invested about \$500 million and leveraged over \$2.4 billion in partner resources. Ms. Wise remarked that many of the alliances are not high dollar value. The alliances have leverage significant private resources, such as corporate voice, employee expertise, employee giving, and technology.

The GDA focused on three major areas: organizational change, outreach, and alliance formation. Organizational change has been the most challenging. USAID focused on business process improvement and staff capacity building. USAID is developing a new procurement instrument to enable USAID to work with non-traditional partners.

USAID is providing incentives for staff to take on alliance work. A guide to creating alliances, *Tools for Alliance Builders*, is available on the GDA website. The GDA Secretariat will continue through calendar year 2006. Ms. Wise said that other organizations are keen to learn from USAID's experience with the alliances.

For the future, Ms. Wise sees public-private alliances as an enduring model. USAID will place an increasing emphasis on results and impacts. There will be more attention to how alliances can best be co-managed, and there will be link-ups with the Millennium Challenge Corporation programs.

DISCUSSION

In response to a question about working with Diaspora groups, Ms. Wise suggested that NGOs could provide ideas and mechanisms for putting money into communities.

An ACVFA Member asked about the GDA experience with alliances in Africa. Ms. Wise replied that although Africa lacks robust private investment, some of the best examples of alliances come from there. Companies sometimes make investments for philanthropic reasons. However, it remains a challenge.

A participant asked how to avoid alliances that are corporate welfare. Ms. Wise said that USAID looks very hard at alliance activities and whether or not they take the company into areas that they would not otherwise have been involved in.

Responding to a question about influencing the G8 meeting, Ms. Wise suggested that non-state actors be invited into policy discussions, thereby helping to solidify their commitment to development.

UPDATE ON THE MILLENNIUM CHALLENGE ACCOUNT (MCA)

Introduction: Barbara Turner, Deputy Assistant Administrator for the Bureau for Policy and Program Coordination, USAID

Ms. Turner stated that USAID has an excellent working relationship with the Millennium Challenge Corporation (MCC). USAID has created a Secretariat to the MCC to work with the MCC staff, as well as to support Administrator Natsios in his role as Board Member. They are currently working together on the Threshold Program. The issue of accelerating development, particularly in the poorer countries, is one that will require everyone to work together.

Charles Sethness, Vice President for Monitoring and Evaluation, MCC

Mr. Sethness said that the MCC is growing very quickly, from six staff members in January to more than 60 in October. Procedures and processes are very much a work in progress. There is a lot of room for creativity and innovation.

The selection process for the first group of eligible countries was completed in May. The staff then visited all 16 countries to explain the program. To date, the MCC received 13 preliminary proposals, totaling approximately \$4.2 billion. Review of the preliminary proposals focused on poverty reduction, economic growth, the consultative process, environmental sustainability, and measurable impact.

The MCC recently began consultation with the US Congress about the proposals from Madagascar and Honduras. The main concerns were around financial stewardship, beneficiaries, impact on beneficiaries, environmental sustainability, and impact on US jobs.

The MCC has developed good relations with USAID, the Department of Agriculture, Army Corps of Engineers, Department of Treasury, Department of Transportation, and

others. There has been a great deal of energy put into developing strong relationships with other donors and international organizations.

Mr. Sethness said that the country selection for 2005 will take place at the Board of Directors meeting November 8. There will also be a public meeting to discuss the country selection.

Clay Lowery, *Vice President for Market and Sectoral Assessment, MCC*

Mr. Lowery remarked that the three big issues for the MCC at this time are the FY05 country selection, the Threshold Program, and the progress on the FY04 program. He discussed a few changes in the candidate countries due to changes in per capita income level or inclusion on the international sanctions list.

The MCC is working very closely with USAID on the Threshold Program, a program designed to accelerate growth and change in those countries that are just below the threshold. The program will target reforms in policy areas to improve scores on the threshold indicators.

He said that the MCC is required to consult with the US Congress fifteen days prior to final negotiations. The proposals from Honduras and Madagascar were deemed coherent enough to be presented to Congress.

The Honduras proposal focuses on rural poverty. The principal objectives are to increase agricultural productivity and to facilitate the transport of goods from the rural areas to the markets.

The Madagascar proposal is quite different, but it also focuses on reducing poverty for the rural poor. The proposal is aimed at shifting activity from a subsistence orientation to a more market driven orientation. It includes assistance on policy reform areas, as well as implementation systems and processes.

Mr. Lowery remarked that the MCC might be funded at substantially reduced levels in FY05. If that happens it would mean a choice between fewer participating countries or smaller programs in each country.

DISCUSSION

An ACVFA Member asked about corruption control. Mr. Lowery answered that corruption was included as an indicator to try to hit on this issue. Ms. Turner added that the majority of countries that failed to make it into the MCA failed on corruption, so it will be a focus of the Threshold Program.

An ACVFA Member commented on the expertise available in the ACVFA and their interest in working with the MCC. He asked about a specific role for the ACVFA. Mr. Sethness responded that the MCC is putting a great emphasis on country ownership and

suggested that the way to have this dialogue would be country by country. There should also be some opportunities for NGOs in the monitoring of programs.

An ACVFA Member asked how the MCC is counseling the FY05 countries on scale of the proposals. Mr. Lowery responded that there are many different formulas for the distribution of funds. His advice to governments is to make the case for what they need and the program will be considered. They are also encouraging the leveraging of other resources.

Mr. Lowery remarked that the MCC is committed to the participatory approach. It slows things down, but it is key to the development of a strong program.