Advisory Committee on Voluntary Foreign Aid

June 9, 2009 Meeting Report

USAID/A/AID
Room 6.09-073, RRB
1300 Pennsylvania Avenue, NW
Washington, DC 2052307600
Tel. 202-712-0936 Fax 202-216-3122
Advisory Committee on Voluntary Foreign Aid

Tuesday, June 9, 2009

Jack Morton Auditorium
George Washington University
805 21st Street, NW
Washington, DC 20052

Public Meeting Agenda:

9:00 am Welcome and Overview
Jack Morton Auditorium
Dr. John Sullivan, ACVFA Chairman and Executive Director, Center for International Private Enterprise

9:05 am Introduction:
Dr. John Sullivan, ACVFA Chairman and Executive Director, Center for International Private Enterprise

9:10 am Keynote: Current State of USAID
Alonzo Fulgham, Acting Administrator, USAID

9:20 am Questions from the ACVFA Members and the General Public

9:30 am Panel Discussion: Current Status of Monitoring and Evaluation at USAID

Presenters:
Gerald Britan, Bureau for Management
Peter Davis, Bureau for Foreign Assistance/Office of the Director for U.S. Foreign Assistance
Subhi Mehdi, Bureau for Management

10:05 am Questions from the ACVFA Members and the General Public
10:25 am BREAK

10:55 am Panel Presentation: Best Practices in Evaluations

Presenters:

Dr. Maliha Khan, CARE
Franck Wiebe, Millennium Challenge Corporation
Richard Blue, Independent Evaluation Consultant

11:30 am Questions from ACVFA Members and the General Public

12:00 pm Keynote:

Gayle Smith, Senior Director for Reconstruction, Stabilization, and Development, National Security Council

12:15 pm Questions from the ACVFA Members

12:25 pm Public Meeting Adjourns
ACVFA Membership
April 2009

Advisory Committee on Voluntary Foreign Aid

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Center for International Private Enterprise

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Ted Weihe
Senior Advisor
International Development Division
Land O’Lakes, Inc.

Helene D. Gayle, M.D.
President and CEO
CARE

Deborah Wince-Smith
President
Council on Competitiveness
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Franck Wiebe, Chief Economist, Millennium Challenge Corporation

Richard Blue, Independent Evaluation Consultant

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OPENING REMARKS

Dr. John Sullivan, ACVFA Chairman, welcomed attendees. He said it was a testament to the importance of the subject of evaluation that such a large crowd had come to this meeting. He asked the audience to further demonstrate its commitment to evaluation by filling out and turning in meeting evaluation forms.

THE CURRENT STATE OF USAID

Alonzo Fulgham, Acting Administrator, USAID

Mr. Fulgham thanked John Sullivan for his leadership of ACVFA. Today’s meeting will focus on monitoring and evaluation at USAID and at its sister and stakeholder organizations, a topic of great interest and concern to the Agency, its nongovernmental organization (NGO) partners, and Congress.

As of the last ACVFA meeting, the administration was working diligently to identify a new Administrator. It is still working. Mr. Fulgham said he was honored to continue serving as acting Administrator, but regardless who sits in the chair, development assistance will continue to be among the administration’s highest foreign policy priorities. As the president has said, development assistance represents one of the nation’s “best investments in increasing the common security of the entire world.” Over the past six months, Secretary Clinton has spoken repeatedly about elevating the role of diplomacy and development alongside defense, and of achieving greater strategic coherence in the use of all instruments of American power. Secretary Clinton calls this “smart power.”

This idea of smart power can be seen in the new strategy for Afghanistan and Pakistan. The president has called for a substantial number of additional troops to be deployed to Afghanistan, but is also emphasizing diplomacy and development to counter the inroads of political extremism and isolate insurgents. The administration has requested significant sums in both the FY2009 supplemental appropriation and FY2010 appropriation bills to support development and humanitarian efforts in Afghanistan and Pakistan. USAID will deploy an additional 150 officers to Afghanistan by the end of the fiscal year and has raised its hiring ceiling for Pakistan as well.

During FY2009, Congress appropriated more than $800 million for USAID operating expenses, a $143 million dollar increase over the previous year. This funding has allowed the Agency to hire 236 new Foreign Service Officers, putting it on track to double its foreign service workforce by 2012. Of particular relevance to today’s discussion, the Agency is hiring to address gaps in its technical and management capabilities. USAID is on target to dramatically increase the number of officers in program and project development, economic growth, health, education, engineering, and crisis stabilization. The Agency also plans to hire additional Regional Legal
Advisors, Controllers, and Contract Officers to better manage and account for its resources.

In fact, the administration is broadly committed to strengthening USAID. It is often said that a budget is a statement of priorities, and the FY2010 budget request can leave no doubt that the administration is making a priority of foreign assistance, and of USAID in particular. The request is for $36.7 billion dollars, including food aid. If enacted, it will put the United States on a path to doubling its foreign assistance by 2015. Funding requested in the 2010 budget will also allow the Agency to improve monitoring and evaluation, allowing for better tracking of funds and more competition in procurement.

The FY2010 budget request has USAID taking the lead on presidential initiatives in basic education, food security, climate change, and a Rapid Response Fund.

The FY2010 request for basic education is approximately $916 million. This amount signals this administration’s determination to build on the seven-fold increase for basic education programs—from $98 million to more than $700 million—between FY2000 and FY2008, and will ensure that the United States remains a leader in efforts to help all children receive quality basic education.

With respect to food security, a permanent solution will require the restoration of sustained, agriculturally-led economic growth that directly engages the world’s poorest people, approximately 20 percent of whom depend on agricultural labor for most or all of their household income and food consumption. For this reason the president has announced a request to double U.S. financial support for agricultural development in developing countries, to more than $1 billion in 2010. Agricultural development assistance will focus on modernizing the agriculture sector in developing countries; reducing dependency on international food aid; and building partnerships with the private sector, multilateral organizations, NGOs, and America’s land-grant colleges and universities.

The FY2010 budget also includes $350 million to fund climate change initiatives. Nearly $90 million has been requested for clean energy programs, and slightly more than $60 million will support sustainable forestry, with the majority of these funds allocated to adaptation.

The Rapid Response Fund is a $76 million initiative designed to allow our government to respond quickly to unforeseen opportunities to shore up fragile democracies. The Rapid Response Fund will enhance USAID’s ability to respond to unbudgeted but critical windows of opportunity.

Finally, the FY2010 budget request contains increases in humanitarian assistance contingency funding and disaster readiness funding, and begins a practice of more realistic funding requests. These humanitarian assistance programs are the U.S. government’s primary tools for providing life-saving food, disaster relief, and other
humanitarian aid to people affected by natural disasters and complex, human-made emergencies.

Questions and Answers

Stephen Moseley, ACVFA Member, said he thought it was wonderful that USAID has a solid development professional in charge during its long period of transition, helping to get these priorities set out so clearly in a good budget. He asked what Mr. Fulgham thought those in the development community could do to help in Afghanistan.

Mr. Fulgham noted that many in the development community have argued that USAID needs to get back to long-term development efforts. The president’s announcement that USAID will double assistance by 2015, even in these difficult economic times, sent a signal to the rest of the world. Although Afghanistan and Pakistan are priorities, many countries in the developing world are suffering right now. That’s why the president has set aside $440 million for poverty support programs and $100 billion for the International Monetary Fund to support standby agreements. But Afghanistan and Pakistan are the places where USAID’s reputation will be won or lost. These two countries are the most important to U.S. foreign policy today, and the reason USAID is receiving additional funding is because of the work it is doing in Afghanistan, Pakistan, and Iraq. For the first time since Vietnam the Agency is trying to do reconstruction work in the middle of a live insurgency, and that takes special personnel. In Pakistan the goal will be to put a Pakistani face on assistance by helping the government provide more basic services in the provinces of Balochistan, Sindh, and the North-West Frontier. In Afghanistan the United States finally has a strategy that focuses not only on short-term but also on medium- and long-term goals, by putting into place the necessary funds and civilian personnel to implement good programs, especially in the south and the east. Agriculture, education, and continued support for humanitarian assistance will all be very important.

Queen Mother Dr. Delois Blakely, Community Mayor of Harlem, asked how funding in agriculture and education could be structured to empower women in Africa.

Mr. Fulgham said that over the next few years, USAID’s efforts to promote integration in its agriculture programs should become much more evident. The Secretary of State has said specifically that she’d like to see more funds going to women, not only for microfinance but also for educational activities and grassroots family programs. That will mean providing more grants to NGOs working at the grassroots level. Women will be especially crucial to the implementation of programs that attempt to deal with food insecurity. USAID has gone from about $200 million in basic education to close to $1 billion. It will be critical to get the proper infrastructure in place to use these major increases in funding to really help women.

Dr. John Sullivan, ACVFA Chairman, noted that in the last few days USAID had announced a new entrepreneurship program linking African and American businesspeople. He asked Mr. Fulgham to comment on it.
Mr. Fulgham said that one of the things much discussed under the last administration was the importance of public-private partnerships. Official development assistance is now dwarfed by private investment and philanthropic giving. USAID must find ways to coordinate with those other flows of capital.

Steven Abbott of the Stimson Center asked how Mr. Fulgham would compare USAID’s capabilities with those of the Departments of Defense and State with regard to stabilization and reconstruction. He also asked Mr. Fulgham to comment on USAID’s relationship with the State Department’s Office of the Coordinator for Reconstruction and Stabilization (S/CRS).

Mr. Fulgham said that USAID’s relationship with S/CRS is evolving. In 2003 and 2004, the Agency was not ready to do reconstruction in the middle of an insurgency. It didn’t have officers qualified for that mission. Over the last four years USAID has been putting in place the right personnel and policies. Any government response will entail some creative tension—especially over issues of responsibility and policy—but in this case Mr. Fulgham said he believes that tension will only strengthen the response.

Richard Blue, an independent evaluator of USAID programs, said that in his last ten years of evaluating projects, he’s seen USAID become an organization that contracts out not only the implementation of its programs but even some of its strategic thinking and program design functions. He argued that USAID must not only hire good people but take back its conceptual and strategy-setting capabilities. He asked how the Agency planned to do that.

Mr. Fulgham agreed with Mr. Blue’s assessment. USAID is not merely hiring now, it is putting in place the foundation that will allow for stronger planning, monitoring, and evaluation within the Agency. By the end of this year USAID will have a much stronger monitoring and evaluation unit. The Agency will be much more aggressive about identifying projects to evaluate and conducting those evaluations itself.

PANEL DISCUSSION:
CURRENT STATUS OF MONITORING AND EVALUATION AT USAID

Moderator: Gerald Britan, Chief, Performance Division, Office of Management Policy, Budget, and Performance, USAID

While USAID may have contracted out more of its “brains” than it should over the last ten years, it did keep some and has been bringing some back. USAID was pleased when ACVFA wanted to discuss monitoring and evaluation, because over the last 12 months the Agency has been engaged in a major effort to restore its monitoring and evaluation capabilities.

USAID’s predecessor agencies started conducting project evaluations during the 1950s. The Agency adopted the Logical Framework Approach for the development community
during the early 1960s. It created the first central evaluation office for a development agency during the early 1970s; pioneered the concept of impact evaluations in the late 1970s; was a founding member of the Development Assistance Committee Evaluation Interest Group in the early 1980s; recognized the importance of knowledge management with the creation of the Center for Development Information and Evaluation in 1983; and was a pioneer in results-based management starting in the late 1980s.

But USAID’s evaluation capabilities began to decline around 2000. Part of this drop has been linked to the growth of “performance monitoring” and “performance reporting” during the 1990s. The number of evaluations the Agency conducted began to drop in 2001. In 2002, a consultant’s report recommended that USAID replace evaluators with “knowledge workers”—staff charged with monitoring existing data rather than gathering new data. Between 2003 and 2005, funding and staffing for evaluation functions declined. The Agency recognized that this was a problem and in 2005 launched an “Evaluation Initiative,” which had some good accomplishments, such as the development of a new evaluation policy and a new evaluation training course. But the initiative was short-lived. In 2006 USAID was reorganized, and with the creation of the Office of the Director of Foreign Assistance the Agency’s evaluation unit was dismantled.

Administrator Henrietta Holsman Fore recognized that this was a problem and made it a priority to revitalize USAID’s evaluation capabilities. She approved the reestablishment of a central evaluation unit, saying in November 2008 that “evaluation is a key aspect of program management, not just for accountability, but as a source of learning. Now is the time to reassert our evaluation leadership in the development community. This means rebuilding our capacity to conduct the kinds of robust and objective evaluations that are fundamental to effective, evidence-based programming.”

USAID feels it is important to rebuild its evaluation capabilities not just because evaluation fulfills external requirements. Evaluation helps the Agency learn how it can do its work more capably.

Last fall, USAID issued new monitoring and evaluation directives in an update of its Automated Directive System (section 203), reinstating requirements for evaluation, planning, and monitoring. Last winter it published new evaluation standards and guidelines. Two weeks ago it established a new central evaluation unit. It is crafting a new evaluation strategy to clarify roles and responsibilities throughout the Agency, and developing an evaluation agenda for studies at all levels.

Resources for evaluation are expanding. USAID is adding seven evaluation staff members immediately and 14 more over the coming year. Meanwhile it is maintaining existing monitoring and evaluation support contracts—which were nearly lost when the Office for Policy and Program Coordination was dismantled—through its Integrated Management for Results 2 program. It is in the process of completing a new set of evaluation Indefinite Quantity Contracts. It is revitalizing its online services through an
USAID is also strengthening its staff’s evaluation capabilities. The Agency had already created an evaluation certificate course but had stopped funding it; with help from the State Department, that course has now been given three times in the last six months, training 100 people. USAID has also encouraged its staff to take part in other agencies’ evaluation courses. It has conducted a series of program planning and performance management workshops in Washington, D.C. and in the field. In partnership with the State Department it has created a distance-learning course in evaluation, and has also incorporated evaluation into the training of new staff hired through the Development Leadership Initiative. And, finally, it has updated its Performance Monitoring and Evaluation TIPS series of guidance documents and is creating an evaluation wiki.

USAID is promoting more effective collaboration in evaluation. It has gathered a group of thirty to forty people responsible for or interested in evaluation, which has been meeting monthly. It has joined with the State Department, the Millennium Challenge Corporation (MCC), and the President’s Emergency Plan for AIDS Relief (PEPFAR) to create a Foreign Affairs Evaluation Coordination Group, which meets biweekly to ensure effective cooperation across agencies. It has been meeting with ACFVA’s own evaluation subcommittee, and has been conducting a variety of joint initiatives with the Department of Defense (DOD). USAID is even reasserting its intellectual leadership in the field of evaluation on the international stage, returning to the Organisation for Economic Co-operation and Development’s (OECD’s) evaluation network after a two-year absence and engaging new organizations like the Network of Networks for Impact Evaluation (NONIE) and the International Initiative for Impact Evaluation (3ie). USAID has presented at evaluation symposia, participated in the Office of Management and Budget’s (OMB’s) Evaluation Experts Group, and joined the managing committee for Phase II of the evaluation of the Paris Declaration on Aid Effectiveness.

USAID’s priorities include:

- Supporting operational-level evaluators. When the Agency began this evaluation-improvement effort eight months ago, it was highly concerned that its evaluation contracts, the main sources of assistance to evaluators in the field, had all expired two years earlier. Those contracts are now back in place.
- Strengthening its internal evaluation capabilities. As a cost-saving measure, in fact, it will plan and design more evaluations in-house.
- Collaborating with development partners.
- Implementing more rigorous evaluations.
- Reestablishing evaluation leadership.

In all of these efforts, the Agency does have some recent best practices to draw on. While some offices within USAID have abandoned evaluation for simple monitoring over the last few years, many have continued to try to learn more fully from their experiences. The Office of Democracy, Conflict, and Humanitarian Assistance in particular has designed some highly rigorous evaluations in response to a recommendation from the
National Academy of Sciences. USAID has also conducted strong evaluations of programs in global health, of its Growth Oriented Micro-Enterprise Development (GMED) and Production, Finance, and Technology (PROFIT) programs, and in its office of Private Voluntary Cooperation (PVC).

Panelists:

Subhi Mehdi, Acting Chief, Performance Division, Office of Management Policy, Budget, and Performance, USAID

After a few years of hiatus, USAID is doing well at reenergizing its evaluation function. But evaluation is not the be-all and end-all of learning. In order to do good, useful evaluation, we need to bear in mind the other components of programming. In USAID, this is called “managing for results.” Managing for results is a continuum of processes, practices, and policies that includes strategic planning, achieving results, and assessing results. All of these steps are evidence-based and grounded in technical analysis and problem analysis.

Strategic planning centers on the assistance objective, previously known as the strategic objective: the most ambitious result that the USAID mission or office can materially effect and is willing to be held accountable for. The assistance objective is articulated at the program level in the “results framework,” a causally hierarchical framework that describes the development hypothesis and all the intermediate results needed to achieve the assistance objective. At the project level, strategic planning may use the log frame as an optional tool.

At the “achieving results” stage, USAID supports its implementing partners, monitoring the quality and timeliness of key outputs and outcomes and managing taxpayer resources. At the assessment stage the Agency takes a comprehensive approach to performance management. USAID requires all its programs to have performance management plans with detailed information about all their qualitative and quantitative indicators. It requires assessments of data quality for all indicators reported to the American public. These assessments are intended to give managers enough confidence in their data to make informed programmatic decisions. USAID also requires at least one portfolio review a year. Most missions conduct semiannual reviews; some conduct quarterly reviews. The Agency asks for in-depth program reviews at the midpoint of programs, and requires at least one evaluation in the life of a program.

All these policies and practices have yielded some critical lessons. First, the Agency needs a holistic approach to programming foreign assistance. Uneven focus on any one component weakens a program. Second, good strategic planning must be the foundation of programs. Third, planning and monitoring are the building blocks of good evaluation. It is just as important to make sure that a program is going in the right direction, meeting its planned targets, as it is to ask larger questions of impact. Good evaluation is impossible without good monitoring. Finally, applying lessons learned, analyzing program data, and using data for managing for results enables “speaking
truth to power.” As stewards of taxpayer resources, USAID must communicate its successes and failures in a transparent way.

USAID needs ACVFA’s support to reenergize the holistic approach to programming foreign assistance, an approach that requires sound strategic planning and robust performance management as well as learning and evaluation. If ACVFA wants USAID to succeed, it should promote all aspects of Managing for Results.

**Peter Davis**, Coordinator for Planning and Performance Management, Bureau for Foreign Assistance/Office of the Director for U.S. Foreign Assistance

USAID and the State Department take the view that foreign assistance is a hard, high-risk business that does not always succeed. Those doing foreign assistance must therefore learn from unsuccessful projects. Secretary Clinton has said that the State Department and USAID must conduct evaluations that do not have negative consequences but rather lead to positive learning. They must eliminate the sense that evaluation is to be feared.

Under Administrator Fore, USAID learned that officers in all agencies and for all governments are often charged with carrying out monitoring and evaluation without knowing how to do it. These officers are trained in agriculture, for example, or small business, not evaluation. So USAID developed an eight-hour distance learning course that officers can take anywhere in the world, even places without broadband access.

Mr. Davis played a video introducing the course.

As foreign assistance organizations work in agriculture, democracy and governance, economic growth, the environment, education, health, global partnerships, and humanitarian assistance in more than 100 countries to provide a better future for all, they are accountable to their supporters for achieving program results. This means setting program goals, measuring program performance against those goals, and reporting on progress. In a continued effort to improve program effectiveness and public accountability by promoting a new focus on results, efficiency, service quality, and customer satisfaction, President Obama has emphasized the importance of improving performance, and reemphasized performance monitoring and evaluation (PME) throughout the U.S. government.

These priorities reinforce the decision made by the Department of State’s Office of the U.S. Director of Foreign Assistance (the F Bureau) to develop a basic-level, Web-based, self-paced, worldwide-accessible foreign assistance PME course that would be readily available to all foreign service officers and other direct-hire and contract employees working in U.S. foreign assistance, as well as all partners. The purpose of this course is to make it easy for its audience to become familiar with the basic principles and practices of PME, so that they can use them actively in their work as foreign assistance managers. The overall intent is to improve both the effectiveness and accountability of foreign assistance.
In order to be effective managers and informed consumers of the processes and deliverables of contractors and grantees, managers need to know and understand:

- The basic context of PME
- Its underlying logic
- How and where PME fits in the program and project cycles
- What the differences and complementarities are between monitoring and evaluation
- How, when, and why to develop scopes of work for monitoring systems and for performance evaluations
- How to report and use monitoring and evaluation results

In addition, this course will assist managers in:

- Participating in performance reviews
- Understanding the results of quality reviews
- Integrating the findings, conclusions, and recommendations of program and country evaluations and special studies
- Designing and using performance management plans
- Being accountable to their sources of funding

The course seeks to prepare managers to:

- Decide when monitoring or other information signals that an evaluation is desirable
- Generate a list of key evaluation questions
- Define the skill mix of an evaluation team
- Define the scope of work for the evaluation, including appropriate data-gathering and analysis methods
- Gain the participation of other stakeholders in the evaluation, including local participation
- Specify reporting requirements
- Develop a budget
- Advocate for the use of the findings, conclusions, and recommendations at each level and by each partner

To accomplish this, the following eight modules were developed for the course:

- The Monitoring and Evaluation Framework
- Monitoring
- Evaluating Performance
- Conducting an Evaluation
- Developing Scopes of Work
- Managing Data Collection
- Assuring Data Quality
- Reviewing and Disseminating Evaluation Results
To maximize interactivity and enhance skill and knowledge development, the course uses instructional strategies that include tutorial instructional layouts, popup windows, examples, links to external references, animations, overviews, and summaries. Practice exercises and knowledge checks are used as formative evaluation tools. Each is sequenced and purposed to ensure mastery of knowledge, which is then tested via assessment of a case study or a request to make decisions based on documents or other evidence.

The course was created under the auspices of the Foreign Affairs Evaluation and Coordination Workgroup. As part of the course the Workgroup has developed and put online a glossary for evaluation standards, guidelines, and a host of other technical materials. The F Bureau is offering the course to anyone who wants it without restrictions or branding requirements, and has already fielded requests for it from 20 countries, the World Bank, and many other agencies in the U.S. government. That is part of the F Bureau's commitment to facilitating the work of USAID, the MCC, and other development agencies.

Another part of the F Bureau's mission is to facilitate international cooperation. The United States is now part of a core management group that will carry out the evaluation of the Paris Declaration. F Bureau is discussing with other countries the possibility for joint and collaborative evaluations.

This year, performance will be used in the budget review process—not in a negative way, but in order to determine the best possible investments.

All of this is designed with the implementers of foreign assistance in mind, and the ACVFA members are clearly the foremost implementers of foreign assistance in the world. The F Bureau hopes that these efforts are helpful, and thanks ACVFA for its support now and in the future.

Questions and Answers

Stephen Moseley, ACVFA Member, said he was very pleased to see the reinvention of the Evaluation Office and to learn that the evaluation course would be made available to all partners within and outside of USAID. He noted that one of the useful functions of evaluation is to build up a storehouse of best practices, but that a few years ago USAID’s then–interim Administrator shut down that research capability. He asked whether it was likely to be revived.

Mr. Britan said that it would be. When USAID’s policy and evaluation functions were dismantled, so was its knowledge-management capability, but staff members scrambled to preserve stores of information and experience. As a result USAID’s development library does still exist. Looking forward, there is a question about how to reinstitute and reintegrate those evaluation and knowledge-preservation functions. Those inside USAID, faced with an election and an uncertain political landscape, didn’t focus on
those structural questions, they focused on maintaining the capabilities, but they look forward to answering them once new leadership is in place.

Mr. Davis said that USAID and the F Bureau aimed to make more information available publicly. All the evaluation materials discussed today can be found at www.foreignassistance.net. Within the month all the performance reports from 180 operating units around the world will also be available there. The F Bureau has firm commitments from USAID and the Department of State to post evaluations on their websites. That’s not a full knowledge-preservation function, but it is a start.

Ms. Mehdi added that while USAID did retain its knowledge-management function, structurally it is still decentralized. Until the Agency gets new leadership and structure, it will not be able to manage and disseminate knowledge as well as it otherwise could.

William Reese, ACVFA Member, noted that the best charities and companies list “being a learning organization” among their core values. Administrator Fore talked about a Global Development Commons as a way of making all the information collected by USAID useful to people around the world. Since USAID can’t do everything at once, he asked whether the Agency might pick half a dozen areas in which it is particularly skillful, and share its knowledge in those areas with the developing world.

Mr. Britan said that it would be a great core value for USAID to aim to be a learning organization. The Global Development Commons is a great idea that is proving difficult to execute. It has a long way to go before it becomes operational. Meanwhile USAID is trying to publish all the evaluation documents in its Development Experience Clearinghouse through its external website. It is also issuing a quarterly evaluation publication and working on making its internal evaluation wiki available externally. The Agency is likely to need help from ACVFA and others in setting priorities for centralized evaluation and learning.

Mr. Reese said he feared that in its desire for transparency, USAID would flood the world with reports. He asked how the Agency planned to make that information useful to those trying to improve at their trade.

Mr. Britan agreed that there is an important difference between “data” and “information,” and that USAID would indeed need to work to make its information useful.

Mr. Davis added that one of the reasons to offer training tools like the distance learning course is to help the professional answer specific questions like, “How do I design this project to better involve women in their children’s lives?” The first step is merely to make such things available; the next, bigger step will have to await new leadership.

Ted Weihe, ACVFA Member, noted that USAID used to require both final and midterm evaluations. In some ways it made sense to stop doing that, because final evaluations became nothing but success stories and self-glorification. Midterm evaluations were the more useful exercise, because project managers had to stop and decide whether they
needed to change course. He asked the panelists for their thoughts on reinstituting midterm evaluations.

**Mr. Davis** agreed that evaluations need to be used as a management tool first. It probably does not make sense to require midterm evaluations on all projects down to the smallest. Rather, USAID should do a better job of providing project managers with the evaluation tools they need, and then let them use those tools as they choose. Merely adding to pro forma requirements will only add to an already overwhelming mound of data; it will not add to learning.

**Ms. Mehdi** said that Mr. Davis’s assessment accorded with USAID’s experience. When midterm evaluations were mandatory, USAID spent a lot of resources conducting them, and then they ended up on a bookshelf, unused. Instead, USAID now offers trigger questions to help managers decide when it will be most useful to them to conduct an evaluation. In a few years the Agency can assess how this new policy has worked.

**Mr. Britan** agreed with Mr. Weihe’s initial point that there are too few midterm evaluations now, and argued that the greatest impediment is a lack of staff. In the future USAID hopes to have enough staff to be more thoughtful about its programs.

**Albena Godlove** of Emerging Markets Group, Ltd., said she was encouraged by this renewed interest in rigorous evaluation design. Today many projects are developed with project-centric evaluation models: log frames, performance management plans, causal models. Meanwhile there may be health projects that, for example, address a certain disease in a country where at least two other projects also address that disease. The result is parallel, noncommunicating data-collection systems. Yet we’re increasingly aware that the development world is much more complex than project-by-project evaluation can account for. Development professionals are trying to address this complexity with crosscutting projects that touch on multiple technical areas: microfinance, water and sanitation, nutrition, wraparound services. Yet their performance management plans are still very project-centered. The effects and benefits of these projects may be understated, overstated, or completely missed. She asked whether panelists saw a way that evaluation could be conducted more holistically, at the country level.

**Ms. Mehdi** replied that USAID thinks about programs, projects, and activities, in a descending hierarchy. The overall assistance objective is meant to be the highest possible result at the program level. Projects are designed to contribute to the program’s assistance objective, and performance management plans are created for that entire assistance objective. There may be five separate projects needed to contribute to some intermediate result that in turn contributes to the assistance objective.

**Mr. Britan** added that it will remain a challenge for a long time to develop intelligent evaluation strategies that take into account all the actors in the field. One part of the solution is for USAID is to be more careful itself about identifying the big issues it needs to consider rigorously, with a consistent methodology. It also has to conduct some
evaluations must be done across the development community. It must figure out how to coordinate with colleagues in multidonor environments—one of the intents of the Paris Declaration. It will help if the Agency can avoid having people conducting evaluations merely because they are required, not because they are useful.

**Mr. Davis** said that it seems clear that the U.S. government is on the cusp of a new era of whole-country strategies, which will allow for evaluation at the country level. They is already how the administration is approaching its task in Afghanistan.

**Jim Michael** of DPK/ARD said it was welcome to see this reinvigoration of USAID’s planning and management functions. It is necessary for the survival of the U.S. government’s development capability, because those doing development work must be able to show Congress and U.S. taxpayers that their activities make a difference. There is a risk, however, that evaluation activities can become internal and self-centered, intended to describe how well the donor is doing, when the whole purpose of the Paris Declaration is to promote local ownership and accountability. He asked how these new evaluation efforts build in support for sustainable management and evaluation led by host countries.

**Mr. Davis** replied that last year, as a pilot program, ten countries created country assistance strategies. These strategies were drawn up with the help of the NGO community, the implementing community, the whole of the U.S. government, and the host country itself. F Bureau just conducted a review of that process and found that it was very successful, even though there were no binding requirements for anyone to participate other than the State Department and USAID.

**Linda Nemec** of Dexis Consulting Group said that she found it ironic that at the same time as USAID’s evaluation function was being dismantled, other agencies were attempting to make their evaluation processes more robust. She asked whether USAID had attempted to reach out to other agencies to learn from their best practices.

**Mr. Britan** replied that over the last eight months USAID has participated in the evaluation working group of the Performance Improvement Council set up by OMB. Outside of the U.S. government evaluation in international development has flourished in the last eight years, and USAID can draw on that experience too.

**Mr. Davis** said that in reality, while USAID and the State Department have fallen in comparison with their high own standards from the 1990s, they are not behind in comparison with other agencies. USAID did conduct more than 400 evaluations last year.

**Queen Mother Dr. Delois Blakely**, Community Mayor of Harlem, asked how one monitors and evaluates from a holistic approach to the grassroots level a participation in this process to foster best practices.
Ms. Mehdi said that answer is in the Paris Declaration: whatever donors and implementing partners do must be in support of the host country’s goals and objectives, measuring the indicators the host country wants, to see if those goals are being met.

Barbara Pillsbury of Medical Services Corporation International said that those who had the fortune of working with USAID at its height 20 years ago have concerns about the Agency reinventing the wheel. She asked whether this reinvigoration of evaluation would include an exercise that looks back at what USAID and other development agencies have learned about evaluation assistance.

Mr. Britan said that that was an excellent suggestion.

Mr. Davis agreed. Apart from Ms. Mehdi those on the panel have been doing evaluation for a long time and have relied on their memories, but a more systematic exploration of USAID’s history would be valuable.

Ms. Mehdi added that USAID is about to start developing an analytical agenda for the entire Agency. It is now gathering the opinions and suggestions of staff in all of its program sectors for that effort.

Judith Lahai-Momoh of Saving Lives Through Alternate Options asked how USAID planned to evaluate humanitarian programs that do not work.

Mr. Davis replied that evaluation has become a fearful process over the years. Program staff or implementing organizations are afraid of losing their jobs or their funding. As a result, evaluation reports give the impression that USAID never makes mistakes. USAID needs an evaluation process that does not lead directly to negative consequences such as people losing jobs, so that if a program is failing staff members are willing to report on that failure.

Ms. Mehdi said that what was needed wasn’t just good evaluation but good, rigorous strategic planning that identifies priorities, makes hard choices about where to intervene and for what reasons, defines long-term goals, and designs projects to meet those goals.

Dr. John Sullivan, ACVFA Chairman, noted that just as it is impossible that USAID never fails, it is unlikely that none of its programs work. By separating the successes from failures USAID can begin to demonstrate the value of its programs and to show what expectations are realistic. Often USAID is criticized for not meeting expectations that were wildly optimistic. Good evaluation can show that progress toward realistic goals is possible.

PANEL DISCUSSION: BEST PRACTICES IN EVALUATIONS
Moderator: Ted Weihe, ACVFA Member and Senior Advisor, International Development Division, Land O’Lakes, Inc.

The first panel of the day was an update of USAID’s internal progress on evaluation. The goal of this panel is to help ACVFA devise recommendations for a new leadership team.

Presenters:

Dr. Maliha Khan, Director, Program Impact, Knowledge, and Learning, CARE USA

Michael Quinn Patton’s paper on the “State of the Art in Measuring Development Assistance” offers 11 critical lessons for those doing evaluation:

1. Plan for evaluation use by connecting to planning timelines and cycles.
2. Include evaluation and not just subject-matter expertise in evaluation teams.
3. Design the evaluation with methods and measures appropriate to the development situation.
4. Take a mixed-methods approach that includes multiple measures, both qualitative and quantitative.
5. Evaluate both implementation processes and outcomes.
6. Include intended beneficiaries, both for methodological and ethical reasons.
7. Distinguish measurement issues from design issues, especially with regard to attribution.
8. Distinguish “implementation” evaluation from “developmental” evaluation.
9. Interpret data skillfully.
10. Conduct a small number of high-quality evaluations rather than a large number of lower-quality ones.
11. Build local evaluation capabilities as a form of development.

These lessons are all so well known as to be received wisdom. The real question is, how can they be implemented practically? CARE has learned a few important lessons itself on that subject.

Lesson 3: Design the evaluation with methods and measures appropriate to the development situation.

On the one hand, development professionals try to build up their basic evaluative capabilities and conduct evaluations everywhere they work, but on the other they can get carried away by words like “rigor” and “gold standard.” Focusing too much on rigor defeats the purpose of evaluation. The gold standard cannot be implemented well in every context, and always trying to conduct gold-standard evaluations does a disservice to the types of evaluations that could be conducted well.

Lesson 6: Include intended beneficiaries.

CARE would add that evaluation should also include project staff. Too often, because the values of rigor call for it to be objective and external, evaluation excludes staff. Staff members are the people who know their projects best, but their too often evaluations
are carried out with methods they don’t understand, or their role is limited to compliance and performance monitoring.

For the last four years CARE has conducted a Strategic Impact Inquiry on Women’s Empowerment. The idea was to examine CARE’s work in 26 countries over the last 20 years, while removing the elements of judgment and performance measurement usually present in the evaluation process. CARE told staff to ask women not how well CARE’s programs had worked—everyone knows the “correct” answer to that question—but what had changed in their lives. This turned out to be an eye-opening experience for staff, one that taught them a great deal.

Many speakers today have acknowledged that development is a high-risk business in which not everything succeeds, and that it is necessary to “speak truth to power.” Unfortunately CARE’s experience—and CARE staff’s experience—is that if you speak truth to power, you don’t get the next contract. The method used in the Strategic Impact Inquiry removes the fear of job loss and allows staff to analyze their projects’ success or lack thereof honestly.

**Lesson 8: Distinguish “implementation” evaluation from “developmental” evaluation.** Implementation evaluation aims to answer the question, How well did we do what we said we would do? Developmental evaluation, Patton says, “is aimed at helping complex innovations adjust to complex, nonlinear dynamics in uncertain environments.” CARE has learned that it must have processes in place that allow staff to learn about these complex environments and their nonlinear dynamics. Planning tools like log frames turn out not to be good learning tools. They don’t reveal what really worked and what can be learned from the experience.

The Strategic Impact Inquiry has prodded CARE to determine its own critical long-term goals and a theory of change about women’s empowerment, distinct from the documentation requirements that go along with projects funded by USAID or the European Union. In fact, CARE needs to have a theory of change for all of its long-term programs. That will allow CARE to start moving from implementation to developmental evaluation.

**Lesson 9: Interpret data skillfully.** A 2003 *Harvard Business Review* article concluded that executives are more limited by a lack of ability to make sense of data than by inadequate or inaccurate data. The staff of one USAID-funded CARE project is proud to show off the three-volume baseline study it conducted over one and a half years. But when asked how they’re using the study, they are stumped. The baseline study itself was the achievement. When we put that much effort into data and its rigor, it disempowers development practitioners.

Often we collect data on everything because we don’t know what’s going to change. That way we have something to point to no matter what changes. It is much more productive to do a rigorous and robust hypothetical analysis beforehand about what we think is going to change. CARE now tries to spend less time and effort on data
collection and more on analysis, interpretation, and change. It is difficult, since every donor requires multiple sets of data and every government requires more.

**Lesson 11: Build local evaluation capabilities as a form of development.**

Patton writes that “… building evaluation capacity in development settings is, itself, a form of development, so that evaluation isn’t just done to people but is also done with them, and leaves behind not only findings but also an increased capacity to engage in ongoing M&E—and a commitment to do so.”

A good, critical evaluation process that involves donors and other partners, participants, and staff, a process that is open and allows people to say what they know is happening—that in itself represents a huge change. Then evaluations are not merely a way to monitor development, they are an integral part of development.

As it turned out, CARE’s Strategic Impact Inquiry not only instilled evaluation capability, it fostered courage. It allowed staff members to admit when projects weren’t working. More than that, it allowed them to acknowledge unintended consequences. For example, in one project staff believed that a village savings-led microfinance program would empower adolescent girls. What really happened was that as their mothers moved into entrepreneurship, girls were pulled out of school to look after their families. Usually project staff members hate and ignore monitoring and evaluation, but all the staff members who went through the Strategic Impact Inquiry have become ardent supporters of good monitoring and evaluation.

**Franck Wiebe, Chief Economist, Millennium Challenge Corporation**

The discussion of impact evaluation must be situated within the discussion of aid effectiveness. It must acknowledge at least the widespread perception—if not the reality—that there have been U.S. foreign aid programs that have not worked and yet still been evaluated as successful interventions. We live in a world of limited resources, and monitoring and evaluation allows us to identify what does and does not work. Yet we hear people agreeing that programs need to be evaluated and at the same time saying that they need more money. We need to evaluate programs before we put more money into them.

A question was raised earlier about a “holistic” approach. Ms. Mehdi replied by discussing holistic evaluation strategies. Really those are two different concepts. “Holistic” in the way the question was asked had to do with a notion of social change and development that is so complicated, we can’t ever assess whether interventions have succeeded. If we do come to that position, we have lost the game. If social change is too complicated to measure, we will never be able to evaluate in a way that is credible to skeptics, and there are plenty of them.

On the other hand, a holistic, strategic approach to evaluation is critical. Evaluation should not just be conducted at the end of a program but included in planning from the beginning. It should be clear from the beginning exactly what one hopes to get in return
for the funds invested. If it isn’t clear then the programs should be small and experimental, and should be evaluated with great rigor. They should only be increased to a large scale after that stage.

MCC is lucky. It was created at a time when what are now considered best practices in development were beginning to be generally accepted. So it is actually structured the way those best practices would suggest. That includes integrating evaluation at every stage of its work. MCC conducts some form of credible evaluation of impact for every activity.

The reason is that if an institution doesn’t do evaluations of nearly everything, it’s easy to get the sense that it is cherry-picking, evaluating only those programs that work, not those that don’t. Even if an institution sets out to do evaluations of all of its programs, when programs are abandoned as difficult or problematic their evaluations can fall by the wayside. The result is a series of evaluations documenting only successes, never failures. It’s important to make an institutional commitment to assessing every program.

MCC uses an objective framework to guide its funding decisions that starts with a quantitative projection of each activity’s impact. Too often evaluation is launched late in the game, when there is no baseline and no clear definition of what a project aimed to accomplish. MCC requires a formal, quantitative framework linking investments to measurable impact before it makes a funding decision. For example, 85 percent of MCC-funded projects have undergone an economic cost-benefit analysis: a preinvestment estimate of the project’s impact on household incomes.

This forces program designers to commit to what they are measuring. For reasons of consensus, goodwill, partnership, and staff morale it is not always a good idea to hold people accountable for meeting their targets—except when they tell MCC that they can accomplish something and turn out to be wrong repeatedly. When an organization claims repeatedly that it can train 10,000 farmers and each time only reaches 20 percent of that target, at some point there does need to be accountability.

It is also important to have a single, measurable metric to guide decisions. This is where the complexity of the world can get in the way of good evaluation. If a partner says it plans to do four different things, and it succeeds in two and fails in two, it’s very difficult to say whether or not that project was successful. If the evaluation framework includes a set of questions that can never be answered negatively, then it is not a good evaluation framework. Every development program will generate some benefit. It is important to be able to distinguish a “nonzero” impact from one that is good enough.

In addition, some evaluation methods are more quantitatively rigorous than others. That doesn’t mean every project should be evaluated using gold-standard methods. It is too expensive and not appropriate in all cases. But it is good to know that some methods can answer questions of attribution and magnitude more rigorously than others. Unfortunately, some development professionals now use the epithet “gold standard” as
a term of derision, when they should be the ones pushing for better, more rigorous understanding. Any method is not as good as any other.

As mentioned, MCC staff and implementing partners both conduct evaluations of every activity the agency funds. But nearly all of those activities are also evaluated by outside, professional evaluation contractors. Using external evaluators establishes independence directly. Evaluations can be done in-house, but the evaluators should not be implementers. Evaluations should be conducted by staff whose professional rewards and incentives are based primarily on their conducting good evaluations. Evaluators and implementers do different kinds of work and should be measured with different yardsticks.

Finally, MCC aims to be transparent. It documents all of its evaluation work on its website. It is establishing a “results home” that will assemble all of the agency’s cost-benefit estimates, final impact evaluations, and monitoring data collected while activities are underway. For the final impact evaluations the website will show when the evaluation is planned, what contractor will carry it out, the contractor’s work plans and timelines, the data when they are available, and the final report when it is finished.

**Richard Blue, Independent Evaluation Consultant**

USAID should be recognized for its efforts to restore and reinvigorate evaluation. On June 8, the State Department held on evaluation attended by 150 people, including the Deputy Secretary of State and the Executive Associate Director of OMB. This wave of enthusiasm for evaluation even includes two pieces of potential legislation. It does appear, therefore, that this wave will carry the day and lead to evaluation being reestablished as a critical part of federal management.

Amid all this enthusiasm, though, one must ask why the last wave of enthusiasm for evaluation, which ended between 1982 and 1984, dissipated without effect. Was it just that a new regime came in, bringing with it a different ideology and a new set of values about what foreign assistance could accomplish?

USAID did use in-house impact evaluators at that time, but those evaluators couldn’t be people who had any involvement with the project. The idea was that staff could learn about how to do development work by evaluating the projects that others had put together. USAID also couldn’t take people away from their jobs for a long period of time, so it had to invent rapid-appraisal techniques, which were second best, but better than none.

Evaluation is an empowering enterprise for the Agency, for the individuals who participate in it, and for local organizations and citizens when they are allowed to participate. Unfortunately, Mr. Blue said, of the 30 evaluations he has conducted in the last ten years, only once was he allowed to return to the host country and present his report at a series of conferences and seminars there. That’s the most minimal type of participation possible, but even that was empowering for the people involved.
So how can USAID do a better job of institutionalizing evaluation as a process valuable to decision makers at all levels than it did at the end of the previous wave of enthusiasm? The current administration says it aims to make decisions based on evidence. That is easy to say, but extraordinarily hard to do. Policy decisions are not necessarily the product of good information and analysis. In fact, you’re usually doing well if you can get 20 percent of the variance in policy decisions to be based on good information and analysis. We need to understand that policy making is the result of a number of factors, only one of which is evidence, before we hype the value of evaluation beyond all reasonable expectations.

There is also a great distance between good rhetoric and implementation. A plethora of foreign development organizations operate abroad now. Mr. Blue recounted a recent experience where he’d tried to evaluate a $120 million program in two countries involving two bureaus in the Department of State, the DOD, and thirteen other federal agencies. It turned out that the people involved not only didn’t understand evaluation, they didn’t really understand program design. They’d never been evaluated, there were no baselines, there were no monitoring systems, and there was no strategic plan. USAID may be doing great work, but increasingly foreign assistance is done by many agencies other than USAID, and consists of much more than what we’ve traditionally called development aid.

Mr. Blue, Cynthia Clapp-Wincek, and Holly Benne have been working on a paper about monitoring and evaluation for the past year (now available at http://mande.co.uk/2009/uncategorized/beyond-success-stories-monitoring-evaluation-for-foreign-assistance-results). They asked professional evaluators to complete a survey about evaluation in USAID, the State Department, and the MCC. The results led to two conclusions.

First, while monitoring cannot be separated from evaluation, agencies need to move toward monitoring for outcomes rather than outputs. Much of the monitoring conducted over the last eight to ten years was of outputs, which is of little use to people in the field. Outcome monitoring would be useful to them. It would also increase the frequency of evaluation results, otherwise difficult to do with any reliability.

Second, the U.S. government should create a comprehensive, overarching center for foreign assistance monitoring and evaluation. This would not be intended to replace the robust monitoring and evaluation conducted by agencies like USAID, but to develop standards and methods, provide training and guidance for all foreign assistance programs, conduct meta-evaluations on the impact of major programs, and carry out evaluations for smaller programs like those run the by Department of Justice, which now fall through the cracks.

Request for Comment
Mr. Weihe said that the purpose of the panel was to engage the audience and ACVFA in a discussion about evaluation. Unfortunately time ran out for that discussion. If audience members have documents, recommendations, or suggestions to share about what ACVFA should recommend to a new USAID Administrator, he asked that they send them to weihe@landolakes.com. Submissions will eventually be posted on the ACVFA website for further comment.

KEYNOTE ADDRESS
Gayle Smith, Special Assistant to the President and Senior Director at the National Security Council

During the campaign and since his inauguration the president has singled out development among the three D’s (development, diplomacy, and defense) as a function that needs much more weight and authority. One of the first things this administration has done in that regard has been to request money for more USAID foreign service officers. The Agency has been asked to do more with less for too long. The president also pledged during the campaign to double foreign assistance, and he intends to honor that pledge, although it might take longer than initially planned.

The current moment offers significant potential for change for a few reasons. First, the constituency for development is stronger, better-informed, and more articulate than it has ever been before. Development has always had supporters, but never before has that community been so rich or so steeped in the particulars of policy.

Second, multiple agencies are now engaged in development. Most obviously, the DOD recognized in Iraq and Afghanistan that military means alone would not be sufficient to its task, that it needed to use civilian development tools. The DOD was granted new authorities during the Bush administration and the lion’s share of the increase in foreign assistance. But as globalization has taken root a significant number of other U.S. government agencies have also gotten involved to some extent in activities that could be classified as development policy, including the Treasury Department, the U.S. Department of Agriculture, the Department of Health and Human Services, the Department of Education, and the Department of Energy. This can lead a great deal of confusion when there are multiple U.S. representatives in the field at the same time. On balance, though, it is a good thing, because now people across the executive branch realize that development is necessary and that more of it needs to be done. They recognize that if you want to see stability in a country, it matters not just how many dollars the United States provides but how it provides them.

Third, there is now a new focus on measurements, which has positive and negative aspects. On the positive side, when the government, NGOs, and the United Nations can show that for dollars spent there are quantifiable returns, it counters the perception that all aid falls in the path of corruption or is misspent, and helps people understand what tangibly results from investments. On the negative side, all that can be measured are quantifiable elements, which aren’t necessarily outcomes. All of our measurements in
global health don’t tell us, for example, whether we have built up a developing country’s health systems enough to deal with the next major health crisis it will face.

The development community needs three things moving forward. First is greater agility. Compared to the DOD, for example, development agencies make decisions more slowly, plan more slowly, deploy more slowly. The DOD has many more authorities and much more funding, of course, so it is no criticism of any agency to acknowledge that. To become more agile, development agencies need Congress and the executive branch to loosen their bureaucratic restrictions, without sacrificing accountability.

Second is translation. Development professionals use a lot of jargon. Much of it is necessary, but the more it enters the policymaking space, the more development is seen as a boring, bureaucratic, money-moving activity, not an effort to change people’s lives. Those in the development community need to translate important concepts such as “monitoring and evaluation” for their counterparts in the foreign policy and national security communities.

Third is education. It is easy to recognize the importance of development, and equally easy to assume that pretty much anyone can do it if he or she cares about the poor and can identify foreign countries. Of course development is much more complicated than that. There is a long, rich record of what has and hasn’t worked in global health and education. There have been multiple changes of heart about the importance of infrastructure and whether the private sector or donor governments should fund it. There have been cycles of debate about the relative importance of various aspects of development. Those steeped in this history need to educate latecomers—NGOs, private-sector investors, social entrepreneurs, and others—about what development really entails.

In its first few months, the new administration has launched a few new efforts in particular. The first is in global health, where we have seen tremendous strides in recent years. In early May the administration announced plans to spend $63 billion on global health over the next six years, essentially doubling PEPFAR over the second six years of its existence. An additional $12 billion will fund programs in maternal health, family planning, health-systems building, and research on neglected diseases. The goal is to build on the success of PEPFAR, transforming an emergency program into a sustainable one.

The second addresses food security and global agriculture. When food prices spiked last year, President Obama was like many people shocked to learn that the United States had become a very small investor in agricultural development. In fact, the United States spends four times as much on food assistance as on agricultural development. Shortly after being inaugurated he met with the G-20 and announced his intention to ask Congress to double U.S. assistance in agricultural development, to over $1 billion for FY2010. The National Security Council has been working with multiple agencies, including the Department of State and USAID, to craft a food-security initiative that will not only include expanded funding but also aim to negotiate certain key principles with
other donors and partners: that we will work together on a common strategy; that we will truly coordinate our resources; that we will work more closely with multilateral agencies.

Throughout the speech he gave recently in Cairo, whether he was discussing education, business, jobs, science, the role of women in society, or interfaith harmony, the president described development as the basis of common action and the focus of much of U.S. policy. The administration is in the process of translating that rhetoric into action.

**Questions and Answers**

**Dr. John Sullivan**, ACVFA Chairman, agreed that the president’s speech in Cairo was remarkable. In that speech he mentioned both a global summit on entrepreneurship and the concept of “democratic development.” He asked whether USAID would have a role in that summit, and how ACVFA could find out more about that and about democratic development.

**Ms. Smith** said that USAID and a number of other agencies would be involved in that summit. As plans for that are drawn up, the administration will reach out to groups like ACVFA for their participation. The president and the administration think about democracy in large measure through a development lens. Elections are important, but the rule of law, transparency, and accountability are all necessary even to protect the gains made in economic development. The United States must therefore invest in those. This administration will speak out when democratic norms are violated, but its job is not to arbitrate who is and who is not democratic. Rather, it will aim to use U.S. leadership, assistance, and diplomatic skills to foster the core elements of democracy and pluralism that make societies function.

**William Reese**, ACVFA Member, asked when USAID would have a new Administrator, and whether the delay so far was the result of an internal dispute.

**Ms. Smith** said that a new Administrator would be named soon. The delay has come because the administration has given a great deal of thought to the right kind of person, given how important the administration believes development to be.

**Mr. Reese** asked whether that meant that discussions about a new Administrator were informed by the recommendations of think tanks and groups like Ms. Smith’s own former organization, the Modernizing Foreign Assistance Network.

**Ms. Smith** replied that the administration and Congress are now considering many of those recommendations. Both the House and Senate foreign relations committees are considering what changes will make USAID and foreign aid in general as effective as possible. That is a great change from the days when Sen. Jesse Helms was the main interlocutor about foreign assistance on the Hill. The executive and legislative branches have a better relationship now, one no longer characterized by micromanaging from Congress nor by resistance to legitimate questions from USAID or other agencies. That
improved relationship and shared focus on aid effectiveness is one big reason why Congress agreed when USAID asked to hire more foreign service officers.

Stephen Moseley, ACVFA Member, asked how the administration planned to protect the long-term integrity of USAID in meeting human needs. While development may meet security needs, how can it avoid being subordinated to the needs of defense?

Ms. Smith said that is would be a misreading of the policy process to believe that any of the three D's can be isolated from the others. Often, for example, diplomacy is backed by the credible threat of force. There will be times when development and foreign assistance are immediate and important tools in a real-time foreign policy imperative. If an elected government replaces an authoritarian regime, for example, the U.S. government may need to provide aid quickly. Other times aid may be provided as an incentive in a diplomatic negotiation. It would be naïve to assume those things are not going to happen. On the other hand, sustainable development is a long-term policy imperative. Until governments around the world can provide social services, offer people peace and democracy, and make jobs more available than guns, we will not see either peace and security or human dignity. So short-term policy needs must be balanced against that long-term goal.

Mr. Moseley asked what Ms. Smith meant by “long-term” development. When the last administration talked about long-term development, it had in mind a five-year timeframe.

Ms. Smith replied that that was one of the hardest things about making the case that development is important to foreign policy, because there was always pressure to show results right away for election and news cycles. That is why evaluations are often focused on measurable results rather than real outcomes, and why development is often used only as a short-term foreign policy tool. The reality is that countries won’t completely transform during the span of this administration, although there should be progress.

Kate Bishop, a former consultant with USAID, asked how the administration viewed the impact of trade on development.

Ms. Smith said that trade is very important. The “three D’s” is shorthand. Like any shorthand it leaves out a lot, not only trade but also the role of the Treasury Department, the role of the United States in the G-20, and discussions of financial reform around the world. A host of policy decisions affect development, and trade is one of them.

Lara Ornson of the Office of Foreign Disaster Assistance noted that Ms. Smith had made mention of PEPFAR doubling. It can’t keep doubling, but even when it doubles there will be a lot of unmet needs—and more needs stimulated, as people live longer on antiretroviral drugs. At some point the United States needs to think about scaling back and shifting the burden of meeting those needs to host countries. She asked how the United States could get countries like Nigeria or Angola to channel more of their oil revenues toward social services.
Ms. Smith replied that one of the reasons the administration is examining PEPFAR carefully is to make sure that over time it helps to build countries’ health systems, so that they are able to meet new challenges. Meanwhile, one way to get countries like Nigeria and Angola to invest more of their resources in social services is through diplomacy. It would help to have a Secretary of State raise that question with the leadership of those countries. That’s more of a commitment than just declaring countries’ balance of expenditures a development issue and expending diplomatic energies on, say, negotiations in the Niger delta. Another thing that might make a difference is peer pressure. Some governments within Africa are now pushing others to change their domestic expenditure balances. Presidential leadership could also make a difference. The president offered that leadership in his Cairo speech: he talked about health and education not as aspirations or projects he would visit but as the hallmark of responsible government. Finally, there has been such growth in public and private aid in recent years, especially in health and education, that two things have happened. One is that the health and education communities have gained the confidence to step back and consider what works and what needs a midcourse correction. The other is that those communities have developed real potential clout, if they could be coordinated to speak with a single voice.

Catherine Elkins of RTI International asked how Ms. Smith reconciled the idea of USAID becoming more agile with the idea of long-term development. How can USAID respond agilely while at the same time making strategic plans that involve set, long-term evaluation plans?

Ms. Smith said that what she meant by agility wasn’t necessarily speed in response alone. Yes, monitoring and evaluation should be built into projects from the beginning, but so should the ability to make midcourse corrections when that monitoring makes it clear that they are necessary. USAID is not able to do that now. Too often now the Agency completes an initiative, decides what did and did not work, and then perhaps feeds that information into the design of the next program. Agility means trusting officers on the ground to translate what they see into a modified response.