

Advisory Committee on Voluntary Foreign Aid Public Meeting

— January 10, 2001 —

SUMMARY REPORT

A New Agenda for Foreign Aid

William S. Reese, ACVFA Chair, welcomed the ACVFA members, U.S. Agency for International Development (USAID) staff, and meeting participants. He remarked upon the progress that has been made during Ambassador Brady Anderson's tenure as USAID Administrator, and noted that one of his last acts as Administrator was to renew the ACVFA charter for two more years. Mr. Reese emphasized the ACVFA's commitment to continuing to provide serious, constructive and useful advice to USAID and other government agencies.

This meeting focused on three very important and timely issues:

- Public discussion of *U.S. Foreign Assistance Priorities: Recommendations of the Advisory Committee on Voluntary Foreign Aid*, a report for the new Administration's transition team.
- The PVO partnership with USAID – how it is managed and can be improved.
- An update on USAID's response to the HIV/AIDS pandemic, which was the central topic of the September 2000 ACVFA meeting.

U.S. Foreign Assistance Priorities: Recommendations of the Advisory Committee on Voluntary Foreign Aid **William S. Reese, ACVFA Chair, and Peggy Curlin, ACVFA Vice Chair**

Mr. Reese highlighted the key points of the report and invited the audience to comment on the issues it raises and on how best to disseminate it. He emphasized that the report is not a white paper like those prepared by think tanks; rather, it is designed to be succinct and to reflect what the committee and its subcommittees have been working on over the past six to eight years. The thinking of leaders from PVOs, foundations, universities, and senior USAID staff who have worked closely with ACVFA, has enriched the report.

The basic theme is that foreign aid has changed and the demands on it have changed. ACVFA makes seven principal suggestions, the first of which encompasses the next six. These recommendations are to:

- Form a Bipartisan National Commission, with Presidential sanction and leadership, to examine foreign assistance and develop a new paradigm.

- Increase the foreign aid budget.
- Shift the way USAID works from implementing to facilitating and empowering.
- Increase the emphasis on civil society development.
- Design USAID programs to achieve full integration of gender concerns and equitable participation of women.
- Recognize and track the link between humanitarian assistance and long term sustainable development issues.
- Launch a more comprehensive and better-funded assault on the HIV/AIDS pandemic.

A Bipartisan National Commission

The basic purposes and long-term goals of America's foreign aid program require new definition and clarity consonant with our values and national interests. It is clearly time for a Bipartisan National Commission on International Cooperation, established under the leadership of the President and joined by members of Congress, to undertake a comprehensive review of the U.S. foreign aid program and to build a national consensus around foreign aid. There is no question that a constituency is needed. The American public consistently overestimates what is spent on foreign assistance. There are some successful public education efforts, funded by USAID and the private sector, but much more should be done. This effort requires Presidential leadership, but no President in recent years has discussed these issues with the public.

Increase the foreign aid budget

Increased long-term investments in development assistance are necessary now to avoid paying for the large outlays that will be required in the future when states fail because of lack of attention. There has been a 40 percent drop in real spending on foreign aid since the mid-1980s - this is seriously inadequate to serve

U.S. interests. Moreover, Congressional earmarking to support specific programs is a significant problem. These restrictions on the way funds can be spent limit USAID's ability to put its human resources and those of its partners to work.

Shift the way USAID works from implementing to facilitating and enabling

USAID has been moving toward a role of development facilitator over the past 8-10 years. This trend occurred as USAID staff decreased and the capabilities of its partners, both U.S. and indigenous, increased. The new role presents an opportunity for USAID to work differently and more effectively with all of its partners - PVOs, universities, cooperatives, and private businesses. Such a new mode of facilitator would also allow USAID, as one of many U.S. agencies involved in foreign aid, to take on a leadership role in facilitating cooperation among these agencies.

ACVFA Vice Chair Peggy Curlin presented an overview of the last four recommendations:

***It is clearly time for a
Bipartisan National
Commission on
International
Cooperation to build a
national consensus
around foreign aid.***

Increase the emphasis on civil society development

ACVFA firmly believes that strengthening civil society is central to what USAID has done and should do in the future. Building the capabilities of indigenous civil society organizations is essential to achieving development and humanitarian objectives. While USAID has been at the forefront in supporting civil society, it has not placed high enough priority on strengthening civil society across sectors.

Design USAID programs to achieve full integration of gender concerns and equitable participation of women

Enhancing program effectiveness by focusing on gender is another major issue that represents many hours of

work by the Advisory Committee and USAID colleagues. Gender is a genuine crosscutting theme that influences all aspects of development. As USAID's Strategic Plan notes, gender equality is emphasized for both efficiency and equity reasons. It is important in maximizing the economic development potential of a society and in ensuring the full participation and rights of all its citizens. USAID has made significant progress in mainstreaming gender in its goals and operations, yet more remains to be done. Further progress will depend upon clear and consistent leadership on this issue in USAID/Washington and in the field.

Recognize and track the link between humanitarian assistance and long term sustainable development issues

The report calls for strengthening the critical link between emergency response and long-term development. Complex humanitarian crises stemming from ethnic wars will continue and will place ever-greater demands on development assistance. Questions about how best to facilitate transition from a state of crisis to long-term development must be resolved. USAID understands the humanitarian / development linkages that are vital to longer-term peace and stability in troubled environments. If the transitions are to be most effective, a strong, if not dominant, USAID voice at the table when humanitarian assistance plans are being made is in order.

Launch a more comprehensive and better-funded assault on the HIV/AIDS pandemic

Eight years ago, AIDS was not viewed as a serious threat to development. Today it is seen as a barrier that could eliminate the work that all development agencies in the world have done over the last few decades. The HIV/AIDS pandemic is not solely a health issue, but rather, a crosscutting theme that affects all sectors and threatens economic and political stability. This calls for increased

investments of funds and creativity in multisectoral programming. Legislative restrictions that limit USAID's flexibility in using HIV/AIDS funds are a serious concern.

DISCUSSION

Mr. Reese called for comments on the report, including agreement and disagreement, as well as specific ideas on how to disseminate its messages.

Audience reaction to the report was consistently positive. The first questioner expressed disagreement with the recommendation that USAID shift from implementer to enabler for two reasons: first, the term "enabler" has a negative connotation in the social services. Secondly, implementation is where USAID is most effective; in fact, the Agency just won a Hammer award for performance management. Problems could arise in shifting performance management and evaluation to the voluntary sector, since non-profits are generally less equipped for these functions. Another audience member pointed out that this recommendation seems somewhat inconsistent with the recommendation on humanitarian assistance, which calls for USAID to take a more hands-on approach and to be more involved in coordination and evaluation.

Enhancing program effectiveness by focusing on gender is another major issue...

Committee members noted that there is no inconsistency between the role of evaluator and that of enabler. While an enabling agency would not actually carry out projects, it would continue to have an oversight role, including the essential functions of evaluating progress and results and auditing. This recommendation reflects a trend that has been occurring within USAID over the past 8-10 years in response to the reality of staff cuts that have reduced USAID's capacity to operate as it has in the past. At the same time, there has been a dramatic growth of civil society, both in terms of the number of

organizations and their capability to partner on development projects. These partners can provide the same level of technical quality and ability to measure results as USAID. The Committee believes this trend should continue.

Other audience members concurred with the recommendation for a revised role. One indicated it was “right on the mark,” noting that it would be helpful to flesh out the specifics of what a facilitating role would mean. For example, such a role would capitalize on USAID’s effectiveness at the policy level and would allow USAID to assume a coordinating role with multilateral institutions and other federal agencies involved in foreign assistance. She urged the Committee to disseminate the response to the report widely within the NGO community to deepen the discussion.

Others pointed out that this shift in role has been a development trend in general and that there is a need for PVOs and NGOs to move further in this direction as well. The recommendation does not undermine USAID’s valuable role, but rather lends force to the premise that development occurs through the efforts of grassroots organizations. It was also noted that the recommendation should not imply that USAID is not necessary, or that it should have generalist facilitators. Whatever agency carries the weight of foreign assistance in the new administration should have technical strength.

There was discussion of the tension between USAID’s results orientation and its role in working as an enabler to build the capacity of organizations and institutions. The latter role requires a long timeframe and agreement on indicators for measuring intangibles like capacity building. Audience members cited lessons from European development agencies, the Inter-American Foundation, the African Development Foundation, and the Charities Aid Foundation that provide useful insights into the actual nature of enabling relationships on the ground and the indicators for measuring success.

An ACVFA member noted that the recommendation regarding USAID’s role also has to do with the level at which the agency functions and, going a step further, could imply that USAID should be a cabinet-level post as an international cooperation agency. An audience member emphasized that whether Cabinet-level or not, a strong and independent development assistance agency is a critical and positive element in U.S. foreign policy.

Other audience members noted that the report could be strengthened by more attention to the following points: the importance of economic growth for poverty alleviation; the need for investment in Africa and for debt relief; partnering with private industry; the need for gender programming that moves beyond rhetoric; and the value of strengthening public administration at the national and local level for civil society building.

A number of participants spoke about the recommendation for strengthening the constituency for foreign aid, noting that some of the responsibility for this rests with the third sector. Several audience members cited examples of ongoing work, suggesting that the debt relief coalition might be a model, and that new messages, such as American security interests, might be needed. Several suggested linking development assistance to U.S. national interests, using facts and figures that could be added to the report.

There were a number of suggestions for disseminating the report, including press releases tailored for specific audiences (these could mention points raised by meeting participants depending on the audience); op-ed pieces; transmittal to all PVO boards and trustees; and individual meetings with Administration officials and policymakers. It was generally agreed that personal contact would be the best way to disseminate the report. It was noted that wide distribution of the report would require resources from the PVO community. There was

A facilitating role would capitalize on USAID’s effectiveness at the policy level...

consensus around a suggestion to create a working group from among the participants at the meeting to develop an action plan for dissemination.

PANEL

USAID-PVO Partnership Issues

USAID-ACFVA-PVO Partnership Working Group

Co-Chairs: Ann VanDusen, Deputy Assistant Administrator, Bureau for Policy and Program Coordination, USAID, and Bob Chase, ACVFA Member

Margaret Goodman, Best Practices Study Consultant

Mark Ward, Director, Office of Procurement, USAID

Ken Schofield, Deputy Assistant Administrator, Bureau for Policy and Program Coordination, USAID

Mr. Chase explained that the Partnership Working Group is truly a joint committee composed of six senior USAID career staff and an equal number of ACVFA members. Formed last summer, the group determined that it would work on the following three issues, with the goal of developing discrete and actionable recommendations over a six-month timeframe: (1) a study of best practices that characterize the partnership in particular sectors, such as microenterprise; (2) joint training of PVO staff with USAID staff; and (3) acquisition and assistance (A&A), which is fundamental to the way USAID and its partners work together.

Ms. VanDusen emphasized that the working group tried to identify issues it could cover relatively quickly. Its first order of business was to review past recommendations on partnership and then to document best practices as ways of building a better partnership. Part of this effort included identifying obstacles and irritants, two of which have been procurement issues and results and indicators.

Before turning to the partnership study, Ms. VanDusen reported on progress on joint training. USAID's Human Resources managers accepted the working group's proposal to open up USAID's procurement training to representatives of NGOs. Two spaces will be available in each session. Additionally, a number of Managing for Results courses will be opened up. The issues are how to select the participants and ensure that they will have the opportunity to participate actively in the sessions and that they will train others. This spring USAID is sponsoring training on how organizations work in emergency response and how to anticipate emergencies. Because the NGO community is so critical to Agency programs in this area, USAID would like at least 10 NGO participants in that course.

*"Best practices" in the
USAID-PVO
partnership rest
on good
communications
and opportunities
for mutual learning.*

Ms. Emira Woods of InterAction said that InterAction has agreed to be the clearinghouse for the training slots and to run a lottery if the response is too great. The number of slots available is an issue, but InterAction will disseminate information on the courses through its newsletter and briefings. The training sessions will take place in Washington and in the field, and are open to the entire NGO community, not

just InterAction members.

USAID-PVO Partnership Best Practices, Margaret Goodman, Consultant

Ms. Goodman interviewed USAID and PVO/NGO staff in December 2000, focusing on certain program areas and bureaus that reflect good practices. The study's scope included PVOs, NGOs, and cooperative development organizations. Other non-profits and universities could not be consulted within the timeframe, but the findings would be generally applicable to these organizations. The overall tenor was that the relationship is positive and has been on a positive trend over the last several years. Best practices fall into two major categories: good communications and opportunities for mutual learning.

Ms. Goodman cited the following components of good communication:

- Objective, honest discourse in a non-judgmental environment.
- Good listening skills, involving feedback. There doesn't have to be agreement on all points but there should be recognition that what everyone said was heard.
- Open channels for informal and formal conversation.
- Willingness to engage in dialogue at key points in the development cycle.
- Creative use of websites and interactive discussion groups.
- Regular meetings.
- Timeliness. When input is sought on an issue, the requests should leave enough time to provide a thorough and thoughtful response without undue delay.

Opportunities for encouraging mutual learning involve the following:

- Support for capacity building.
- Creative approaches to evaluation. It's important to recognize and publish lessons learned, so that organizations can share their approaches.
- Issue discussions where both sides can sit down and work together.
- Formal and informal joint training.
- Development and utilization of networks for continued capacity building and organizational development.
- Support for regional and sub-regional activities.

Ms. Goodman described some specific examples of best practices, including the Office of Private and Voluntary Cooperation, particularly its capacity building and mentoring role; networks such as SEEP (Small

Enterprise Education and Promotion) and the Child Survival Collaboration and Resources Group (CORE), which share lessons learned and build the capacity of their members; use of Annual Program Statements to solicit proposals; and circulating Requests for Applications in draft for comment. She also cited the Europe and Eurasia Bureau's use of electronic media and outreach to partners as good examples of partnership methodology. Although most of the recommendations were directed toward USAID, Ms. Goodman voiced a suggestion for NGOs: be more systematic in developing and promoting common positions. She concluded by noting that she would accept comments on the draft and provide a final version to ACVFA.

NGOs should be more systematic in developing common positions and advocating for them.

Acquisition and Assistance Issues
Mark Ward, Director, Office of Procurement, USAID, and Ken Schofield, Deputy Assistant Administrator, Bureau for Policy and Program Coordination, USAID

The Working Group focused on six acquisition and assistance (A&A) issues:

- Data on A&A trends.
- Joint training on procurement.
- Evaluation of the use of Indefinite Quantity Contracts (IQCs).
- Guidance to USAID's Strategic Objective (SO) teams on the choice of instrument, i.e., whether and when to use a grant or contract.
- Need for updating the past performance information database.
- Need for a mechanism for ongoing consultation on USAID's A&A policies.

Mr. Ward reported that USAID has developed a new data reporting system for its overseas field missions called MPICS, which will provide figures on trends in acquisition and assistance. The NGO community has been interested in whether USAID is using contracts

more often than in the past, and what percentage of funding is programmed through non-profits. The MPICS data from USAID Missions is now being checked for accuracy. When the USAID Mission figures are finalized and added to the USAID Washington data in February, the Agency will have worldwide picture of acquisition and assistance trends to report to the NGO community. For this meeting, Office of Procurement staff compiled informal figures that show a decline between 1992 and 2000 from 49 percent to 40 percent of total procurement awarded through contracts. Mr. Ward mentioned another statistic that provides a picture of USAID's workload - the number of actions processed by the Office of Procurement has increased dramatically, but the number of staff has not kept pace. This is a serious issue that affects timely procurement.

Noting that training had already been discussed, Mr. Schofield turned to the choice of instrument issue. The NGO community has questioned whether USAID staff need new, more useful guidance on when to use assistance (grants and cooperative agreements) and when to use contracts. The guidance is neutral - that is, it does not express a preference for either instrument but suggests the factors that should be taken into consideration in making that decision based on local circumstances. In most cases, both instruments will be necessary to get the job done.

Mr. Schofield also discussed USAID use of Indefinite Quantity Contracts (IQCs) and whether this mechanism is achieving its intended purpose of streamlining procurement. The Working Group is considering an evaluation to determine this. Regarding the need to update the contractors' past performance database, Mr. Ward reported that his office is undertaking a massive effort to bring records up to date. He noted that the database does not contain information on assistance - whether to collect such information, and how to do it, might be an issue for the Working Group.

Mr. Schofield concluded by affirming the willingness of USAID to participate in an ongoing consultative mechanism. He suggested that USAID's Acquisition and Assistance Advisory Panel, an internal working group, could be used as the channel for discussions on the USAID side.

DISCUSSION

Mr. Chase reported that InterAction has agreed to consider convening a panel of experts from among its members and other groups to work with USAID on acquisition and assistance issues in a consultative forum. ACVFA Vice Chair Peggy Curlin suggested that such a panel be creative and proactive and make a point of seeking out best practices, such as umbrella grants. Issues raised by the audience included the need to find an instrument for investments in innovations on the ground that are often carried out by small organizations with limited track records; the unequal distribution of work under IQCs; and the need for greater transparency and simpler language in the procurement process. Audience members inquired about the process for applying to USAID training, and indicated their interest in participating in the training design to ensure its relevance.

The HIV/AIDS pandemic affects all sectors and threatens economic and political stability.

USAID HIV/AIDS Strategic Planning Framework and its Implementation

Panel Co-Chairs: Felice Apter, Population, Health and Nutrition, Bureau for Policy and Program Coordination, USAID, and ACVFA Member Louis Mitchell

Mr. Mitchell noted that recent reports in the media and from government agencies have emphasized that the global HIV/AIDS pandemic is a serious threat to U.S. national interests. A high-level USAID task force working intensively over the past six months has

developed an expanded strategic response to the pandemic. Ms. Apter noted that the expanded response is a comprehensive effort in which all USAID Bureaus are involved.

USAID’s HIV/AIDS Strategic Framework: David Stanton, HIV/AIDS Division, Bureau for Global Programs, USAID

Mr. Stanton gave a short history of the HIV/AIDS Rapid Response, beginning with the FY 2000 LIFE initiative, a \$100,000,000 multi-agency effort that provided the opportunity to expand partnerships and program areas. The four areas of focus are primary prevention, caring for children affected by AIDS, home and community-based care and treatment, and capacity and infrastructure development. USAID moved rapidly to develop a sound program strategy for the FY 2001 funding. The strengths of the process are that it has an interactive, interbureau involvement, staff commitment and cooperation, and high quality work. USAID is working toward international targets set collectively by the international community. The three-tiered strategy aims for: national-level impact in four “rapid scale up” countries; reduction in prevalence rates and transmission from mother to child and increased support services for people living with HIV/AIDS in 16 “intensive countries/sub-regions”; and maintenance of basic prevention and care services in 25 “basic” countries and several targeted sub-regions. In all countries there will be a major emphasis on monitoring and evaluation to demonstrate results.

The Planned 2001 Budget in the Context of the Strategic Framework and the FY 2001 Legislation: Joyce Holfeld, Population, Health and Nutrition, Bureau for Policy and Program Coordination, USAID

UNAIDS conservatively estimates that between \$3 and \$5 billion is needed for HIV/AIDS prevention and care in Africa alone.

Ms. Holfeld emphasized the urgent need for action in the face of very limited resources. For public health needs alone, UNAIDS conservatively estimates that between \$3 and \$5 billion is needed for care and prevention just in Africa. The international community’s contribution for public health activities to fight AIDS in Sub Saharan Africa is around \$500 million, of which the U.S. share is about \$168 million. There is commitment at the highest levels of government(s) to increase funding. This year \$330 million was appropriated for USAID, up from \$200 million. The budget includes earmarks for vaccine development, microbicides, the World Bank Trust Fund, and epidemiological profiles, leaving \$284 million available for USAID programming decisions.

Agency-Level Activities to Minimize Programming Delays for HIV/AIDS and Infectious Disease Funds: Patricia Ramsey, Deputy General Counsel, USAID

Ms. Ramsey described actions USAID is taking, at Congress’ urging, to use existing authorities to expedite the process of acquisition and assistance. These include: authority for limited competition for new awards; extensions of existing awards for up to two years; use of special authorities to award to small businesses and small and disadvantaged businesses; use of wholesale mechanisms; and source-origin waivers (allowing procurement from foreign countries). Other streamlining measures include: authorizing additional personal service contractors for USAID/Washington; increasing mission directors’ grant-making authority; and increasing use of the “grant under contract” mechanism. These actions reflect USAID’s commitment not to approach the pandemic as “business as usual.” Ms. Ramsey asked ACVFA to provide feedback on whether USAID is striking the right balance between streamlining measures and fair and open competition for USAID funds.

USAID Partnerships: Hope Sukin, Africa Bureau, USAID

Ms. Sukin stressed that PVOs are essential partners in implementing the initiative. PVO strengths are independence, roots in and outreach to the community, grassroots affiliations, partnerships with indigenous NGOs, and the capacity for response in prevention, care, and support. She noted that groups represented in the audience were fighting AIDS at the community level before USAID began its work in the area. Ms. Sukin cited several examples of successful existing partnerships with NGOs, and indicated that USAID is seeking also to develop new partnerships with faith-based organizations, historically black colleges and universities, domestic HIV/AIDS groups, and multi-sectoral organizations.

DISCUSSION

Some members of the audience expressed concern about USAID's outreach to new partners, noting that outreach to traditional partners and to African NGOs has been limited. It was suggested that funding be provided directly to African organizations that have the necessary capacity and can meet accountability standards. As an example, African organizations have carried out many cost-effective initiatives in Uganda. Ms. Sukin emphasized that USAID has to work with its African partners and is developing strategies that involve intensive cooperation with local NGOs. In cases where there are many capable potential local partners, umbrella grant arrangements are used to reduce the management

PVOs are essential partners in implementing HIV/AIDS initiatives.

burden. Many participants asked how to let USAID missions know of their work as prospective partners. Ms. Sukin suggested that organizations hold dialogues with USAID missions and be aware of new requests for proposals that will be issued. The RFPs and each mission's strategy are available on the USAID website.

There was much discussion of the need for multisectoral approaches to mitigate the social and economic impacts of the disease. A participant noted that 80 percent of the food grown in Africa is on small farms worked by women who are dying at alarming rates, yet agricultural programs are not addressing this. Another noted the high infection rate among teachers, which is having a devastating effect on educational systems. Several participants urged USAID to add a gender focus to HIV/AIDS programs and to work more closely with faith-based groups and churches on AIDS-related activities.

The USAID panelists pointed out that the Agency recognizes the importance of multisectoral programs and is supporting them to the extent it can within the confines of the legislative language, which strictly defines the uses of Child Survival and Disease Account (CSD) funds. Development Assistance (DA) funds may be used to support such activities, but these funds are in short supply. Several USAID missions are using creative approaches to ameliorate the impact of AIDS on other sectors; for example, the USAID mission in Zambia was the first to implement a strategy to address AIDS in education. Ms. Sukin suggested that participants interested in educational efforts contact Brad Strickland of USAID at 202-219-5050.

Addressing the health and social and economic aspects of HIV/AIDS will require substantial increases in both CSD and DA funds. There was agreement that the entire development budget, not only HIV/AIDS funds, must be augmented to address the pandemic effectively.

Panelists and participants alike noted the importance of documenting the disease's impact on other sectors and informing those who can make a difference in allocating funds.

This summary of the ACVFA public meeting has been prepared and distributed by the USAID Office of Private and Voluntary Cooperation in the Bureau for Humanitarian Response (BHR/PVC). The full report is available from Ms. Noreen O'Meara, ACVFA Director, USAID/BHR/PVC, Room 7.6.84 RRB, 1300 Pennsylvania Avenue, NW, Washington, DC 20523-7600, 202-712-5979. Visit our website at www.usaid.gov/hum_response/pvc/acvfadir.html.

Next ACVFA Meeting:

May 2, 2001

Mark Your Calendars!

Advisory Committee on Voluntary Foreign Aid (ACVFA)
Room 7-06-084 RRB
USAID/BHR/PVC
Washington, DC 20523-7600

Advisory Committee on Voluntary Foreign Aid (ACVFA)

January 10, 2001

Meeting Report

For more information, please contact:
Advisory Committee on Voluntary Foreign Aid
Office of Private and Voluntary Cooperation, USAID
Tel: 202-712-5979 Fax: 202-216-3041
E-mail: nomeara@usaid.gov