

2015 AGM

Afternoon Plenary Panel: “Issues and Objectives That Should Shape the USAID of the Next Administration”

The concluding plenary panel of the AGM was tasked with identifying and discussing issues and objectives that should shape the USAID of the next administration. The panel was composed of key Hill Republican and Democratic staffers and CGD senior staff.

Panel Members and Topics (in order of presentations):

- Nancy Birdsall** (CGD): Introductory Remarks
- Les Munson** (Hill Staff) Republican Staff Perspective
- Tim Rieser** (Hill Staff) Democratic Staff Perspective
- Ben Leo** (CGD) Non-partisan Think Tank Perspective
- Casey Dunning** (CGD): Facilitator and commentator

Panel Member Observations:

Nancy Birdsall: As an introduction to the afternoon plenary session, the Center for Global Development’s president, Nancy Birdsall welcomed UAA members to CGD. She described the goals and objectives of the CGD. She encouraged those present to sign up for the CGD Society to receive advance alerts to events among other benefits. She also asked UAA members to pass on feedback to USAID on two key issues: (1) USAID should be commended for committing itself to “open data listing,” but it needs to do more to implement that commitment; and (2) USAID should do more to champion innovation on the delivery of foreign aid – e.g., in the use of Development Impact Bonds (DIBs). She noted that Liberia could be interested in such DIBs.

Casey Dunning: She introduced panel members and provided the framework for the panel presentation. She gave kudos to USAID on its Open Data policy, and noted that USAID works in 126 countries in 36 programmatic areas, spending nearly \$20 billion per year. Nonetheless, USAID resources are dwarfed by other investments. Over the next two decades extreme poverty will be concentrated in fragile and conflict states. Many of the components of “USAID Forward” are viewed as necessary, but they are not yet institutionalized.

Les Munson: Mr. Munson noted his huge respect for USAID, calling it the best organization in providing foreign assistance. He highlighted the difficulty of the development task, noting that failure is often beyond the control of USAID. He noted that USAID should be confident and bolder heading into the future. USAID needs to be more authoritative and to be the leader on foreign assistance issues in the USG, mobilizing other agencies (including MCC, PEPFAR, OPIC, EXIM) and leading in discussions with the Hill. USAID’s sense of insecurity is an obstacle to playing this leadership role. The time has come for a robust reform agenda. USAID needs to be bold in working with both State and DOD, and it should be a bridge between these two larger departments. He also cited the need to regularize personnel systems, that the use of so many hiring mechanisms (e.g., 19 in the Global Health Bureau) creates huge management challenges. He also encouraged USAID missions to get out of their offices into the field, although recognizing that this could require more people and more efficient systems.

Tim Rieser: Mr. Rieser agreed with Les Munson's comments, noting the high expectations he had about reform at the beginning of the current Administration. He cited the importance of leadership in setting the tone. He spoke about USAID needing dynamic and practical leadership by someone who knows development. He reiterated the importance of listening to countries, that people in countries most often know what they need to do. But, too often, we support initiatives or implementers that are not the right ones. He noted that there is still a lot of support in Congress for USAID, adding that Congressional staff work well across party lines. He urged USAID to work more closely with the Congress and to have confidence in the relationships it can build with the Congress. Congress understands that things can go wrong. The interest is if something goes wrong, how is it going to be fixed. He concluded by noting that U.S. foreign assistance needs more clarity and consolidation – but this cannot be achieved unless leaders are applying lessons learnt from the past.

Ben Leo: Mr. Leo referenced analyses and recommendations being made by CGD through its "The White House and the World 2016" series. He applauded the reforms made by USAID to date, but noted that the next Administration should focus and prioritize: 125 countries and 36 program areas is too broad. USAID needs to determine new priorities after a rigorous review of its development programs. This review should look at program effectiveness/results; the degree to which USAID strengths and programs align with country priorities; and the degree to which financial and human resources are concentrated. After these steps are taken, the political process comes into play, as well as the need to tackle Congressional Directives and Presidential Initiatives, acknowledging that tough decisions would need to be made. He focused considerable time on the difficulty of assessing program effectiveness because USAID does not have a standardized way to judge efficacy across its portfolio. He strongly recommended development of standardized approaches.

Questions and Answer Takeaways:

In responding to a question on Congressional Directives, it was pointed out by Hill staffers that USAID has more flexibility than most domestic agencies. The problematic nature of directives was acknowledged, but the need to have Member support needs to be understood. They also argued that directives tend to follow Administration priorities fairly closely.

They spoke of two global health priorities that came out of the Congress – the Presidential Malaria Initiative that emerged from a hearing on malaria, and the increase in funding for neglected diseases. The question was asked about what was given up when these increases were enacted. This prompted discussion of the need for better metrics on results and costs/benefits.

Good governance and economic growth/development continue to be priorities to the Congress, although Mr. Munson did say that better metrics are needed to show the effectiveness/results of USAID programs.

How are tradeoffs between near-term and long-term results viewed? How we measure results is challenging. For example, it is one thing to count vaccines administered and quite another to measure progress in developing democracy in a country. USAID is one of the few aid agencies that does not have standard metrics for evaluating economic growth and democracy and governance.

The panelists were asked about a recent World Bank report identifying current extreme poverty in the world as 9.6% and noting that the bottom 3% most likely cannot be reached or affected. Given this, is USAID's new goal to double down on extreme poverty a good thing? Mr. Leo expressed doubts about whether a focus on extreme poverty is appropriate, that helping people achieve the bare minimum is not transformational development. Mr. Rieser and Mr. Munson responded with more general comments about support for economic development/growth. There is some skepticism on the Hill that economic development interventions work.

In response to a question on the low level of funding for USAID in economic development, it was pointed out that Congress views economic development programs broadly in terms of funding. Thus, when one considers the funding going into the Millennium Challenge Corporation (MCC) and others, the funding is significant.

The possibility of USAID being a cabinet level agency was discussed along with the advantages of this status. Would this facilitate USAID taking a leadership role? The two Hill staffers agreed in principle and urged that structural issues needed to be resolved and authorities clarified. CGD is also looking at what makes sense from an authority perspective. Hill staffers agreed that USAID was somewhat of a bridge between diplomacy and defense.

UAA members raised the need to rationalize USAID employment mechanisms, as well as eliminating the split between Program and OE accounts. Hill staff recommended taking a fresh look at field missions and functions, aiming for greater efficiencies by eliminating duplications, including the number of personnel assigned to Missions overseas. They recommended that the next administration go to the Congress with a proposal to do away with the OE budget, albeit in a way that would still enable oversight of overhead, personnel, and other management costs.

AGM participants argued for greater attention to economic growth programming, citing value of The Partnership for Growth (PfG) process, but noting the insufficient funding for USAID missions to respond to needs identified by countries. CGD noted that the PfG has worked where USAID money is already in place and/or new MCC programs are on the horizon. It has not worked where money is already tied up. In non-MCC countries it is a thoughtful way to review the issues with local leaders and USG officials at the table. CGD noted the need for either more Economic Growth money or more budget flexibility at the mission level.

There was a consensus among panelists of the importance of economic growth programming, but uncertainty about funding. Also, much of this work is now seen to being led by the MCC. Better coordination between USAID and MCC may be needed; MCC could learn a lot from USAID and vice versa.

Final remarks related to the need to be responsive to country priorities, noting that we too often push activities the aid recipient countries are not interested in. At the same time, we need to do a better job of holding local governments accountable.