

RELEASE IN FULL

From: Muscatine, Lissa <MuscatineL@state.gov>
Sent: Thursday, September 17, 2009 9:51 AM
To: H
Cc: Abedin, Huma
Subject: FW: Further thoughts on S speech on development
Attachments: Suggested Points for S Speech on Development.docx

This is from a woman in S/P who is a veteran of USAID. She raises some interesting points, particularly about the country-driven model and how it would apply in certain tricky cases. You probably have already thought about all of this but I wanted to put it in front of you in case you haven't.

From: Butler, Letitia K (S/P)
Sent: Wednesday, September 16, 2009 3:12 PM
To: Muscatine, Lissa
Cc: Ash, Nazanin S; Slaughter, Anne-Marie
Subject: Further thoughts on S speech on development

Lissa,

Further to my bullets of yesterday, I'd like to get a couple of issues with nuances in front of you for when/if they are raised in prep for the Secretary's development speech:

Accountability: There seems to be a call for greater accountability within our foreign assistance. Pls know that the US assistance programs (all sources) are the most assiduously managed aid programs in the world, in terms of financial accountability. We are almost TOO careful to assure the proper flow and use of US taxpayers' dollars. So, if there's a need to speak about accountability, we should emphasize increasing accountability for outcomes or impacts. Such a commitment will require lengthening the span for results monitoring a bit and definitely improve rebuilding our evaluation capacities.

Local Ownership: The salience of local ownership to the effectiveness and sustainability of development efforts is unassailable-- and is a main lesson learned from development effectiveness research. The US has acknowledged this in signing the Paris Declaration and its successor declarations, but has not moved in lock step with a number of donors (EU, UK and European bilaterals, etc.) to reconcile our assistance modalities to it.* However, implementing "local ownership" -- through the OECD/DAC recommended measures of country-led strategies, harmonized donor giving channels, budget support in lieu of projects, priority use of country systems like procurement, financial management, accounting, etc.--should happen in certain circumstances and not in others. For instance, in the neo-Bolivarian states in Latin America (Venezuela, Bolivia, Nicaragua and Ecuador), it could undermine real democratic development to hand over "ownership" to populist centralizers.... but these leaders are currently draping themselves in the Paris Declaration flag, applying the pressure on our embassies and USAID missions to channel everything through their systems. Similar pressures are felt in countries with corrupt governments in Africa. SO, we need to be sure the Secretary speaks of "local ownership" in a nuanced way...as in "local ownership commensurate with local capacity" or "commensurate with local commitment". Otherwise, her own words can be used against her by demagogues and kleptocrats.

New Technologies: New "connection technologies" are the most exciting game-changer on the scene, and we've already seen important "leap-frogging" past national electrical grids or national banking systems through innovation mobile technology. We need to be sure that such successes don't create overly ambitious expectations for rapid, quantifiable systemic reforms. The underlying strengthening of human capital and institutional capacity remains the surest way for development to succeed and endure. In essence, the technologies can "change the question" but they

aren't the answer for lack of education, lack of accountability or lack of national norms. Human behavioral changes have to happen along with the infrastructural ones.

Thanks for listening. Hope this helps in some small way.

Best, Tish

.* The MCC was a one-off, institutional effort to reflect this important principal.

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