

**President's Advisory Council  
on Faith-Based and Neighborhood  
Partnerships**

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**A New Era of Partnerships:  
Report of Recommendations to the President**

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# Global Poverty and Development

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# Global Poverty and Development

## INTRODUCTION

A deep commitment to reduce global poverty and promote sustainable development characterizes the work around the world of many U.S. faith-based and civil society organizations. Many members of the Council, as well as the organizations and institutions to which we are connected, are a vibrant part of this sector. Supported by generous donors from across the political spectrum and connected to well-informed policy advocates at home, these efforts and perspectives are based on long-term relationships with poverty-affected communities, their organizations, and leaders abroad. U.S. Non-Governmental Organizations (NGO), also known as PVOs (Private Voluntary Organizations), represent many millions of Americans who want to make a positive difference in the world and who give significant time, energy, and financial resources to do so.<sup>1</sup>

The U.S. NGO community has a largely privately funded infrastructure of staff and programs. The well-established, multifaceted architecture effectively weds financial aid to community development programs that are driven by poor people themselves with a goal of creating enduring social change. Working with these groups, we show the world the direct public face of American aid, which is respectful, culturally sensitive, and trusted by local partners.

The NGO community includes development, humanitarian, and other organizations that span the diversity of America.<sup>2</sup> We may be focused on specific development themes or on a particular geographic region or on issues of gender; we may be religious or secular. In all cases, the collective weight of this sector's response to global poverty is significant. For example, in 2006, members of InterAction, the largest coalition of U.S.-based international NGOs managed \$2.8 billion in U.S. overseas development assistance and \$6 billion in private funds. That year, 13.4 million donor groups—including schools, religious institutions, civic groups, foundations, and American citizens from all walks of life—contributed funds through InterAction members that went to fund development and humanitarian work around the world

<sup>1</sup> The Council recommendations were jointly reviewed and endorsed by InterAction, which was also a member of the Taskforce. InterAction has 193 members working in every country around the world. InterAction is the largest coalition of U.S.-based international NGOs focused on the world's poor and most vulnerable people. [www.interaction.org](http://www.interaction.org)

<sup>2</sup> Since 9/11 the overall aid landscape has changed dramatically: a raft of new players has emerged who bypass traditional (government and multilateral) channels. In addition to middle-income countries (Brazil, China, India, and Russia) as donors, the American public, and celebrities, there is the private aid sector led by foundations, U.S. NGOs, social entrepreneurs, and other nonprofits. Source: Karas, Homi, "The New Reality of Aid" in *Global Development 2.0* (Brookings Institution: 2008)

There are additional scores of religious bodies, thousands of local religious congregations, and millions of Americans who are engaged in developing countries—not just by supporting their religiously affiliated development organizations, but also through prayer, learning, advocacy, missionary work, and personal visits. Every year, 1.6 million Americans travel to developing countries on short-term mission trips, often to paint a school or help out at a clinic. Civil society institutions involved in global development also include many schools and universities; foundations; and unions, farmer organizations, women’s groups, and other associations that connect to similar groups around the world.

Networks of new Americans who are establishing themselves in the United States typically maintain ties and often help people in their home countries as individuals and through their own community organizations. The existing expertise, resources, and talents in communities with cultural, language, and religious ties to other nations are an invaluable asset to increasing America’s development impact.<sup>3</sup> The U.S. Government has an opportunity to increase our development impact significantly by proactively engaging these “Diaspora” communities.<sup>4</sup>

The NGO community works every day in countries and communities around the world to reduce poverty and promote sustainable development. Because this has been our work for decades, we have successful and proven methods of designing programs, building relationships, and leveraging resources that are separate from and could be instructive for current and future U.S. Government efforts.

With our privately raised funds, U.S. NGOs are exploring best practices, advancing crucial partnerships with local and international NGOs and with donor governments and local communities that are often not reached by official U.S. development assistance. We often engage with smaller organizations in-country that directly represent people in need and that help to carry out the work.

<sup>3</sup> One such example is the American India Foundation.

See: <http://www.aif.org>

<sup>4</sup> U.S. Agency for International Development (USAID), (available at [http://www.usaid.gov/our\\_work/global\\_partnerships/gda/remittances.html](http://www.usaid.gov/our_work/global_partnerships/gda/remittances.html)).



### NGOs are key implementers in the fight against global poverty, and key results (as measured against the Millennium Development Goals) have been achieved:

- Primary school enrollment has reached 90% globally, and the world is on target to achieve the 2015 goal of 100% in all but 2 out of 10 regions.
- Since 1990, 1.6 billion people have gained access to safer water.
- Girls’ primary school enrollment increased more than that for boys in all developing regions from 2000 to 2006.
- The number of people using improved sanitation facilities has increased by 1.1 billion since 1990.
- Of the nearly 650 million people at risk of malaria in Africa, the portion covered by insecticide-treated bed nets rose from 3% in 2001 to 39% in 2007.
- The Measles Initiative has vaccinated over 600 million children, helping to reduce global measles mortality by 74% globally from 2000 to 2007. During the same period, measles deaths plunged by 89% in Africa alone.
- Since 1990, the global child mortality rate has declined from 90 deaths per 1,000 live births to 65 per 1,000 live births, which means approximately 10,000 fewer children are dying each day.

Source: MDG Info Kit [www.millenniumpromise.org](http://www.millenniumpromise.org)

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We have unique abilities to recognize and support effective local solutions to development challenges and can bring to the U.S. Government relationships, skills, tools, and knowledge that are often not fully accessed or used.

The most enduring and strongest relationship of our NGO community is with the individual Americans who support and sustain thousands of programs across the globe through their private donations. We are entrusted by millions of private donors to educate children, help families improve their livelihoods, and provide clean water to villages. These effective, successful private-sector nonprofit programs, built and sustained over time by millions of Americans, deserve greater recognition from the U.S. Government and more robust collaboration with that government.<sup>5</sup>

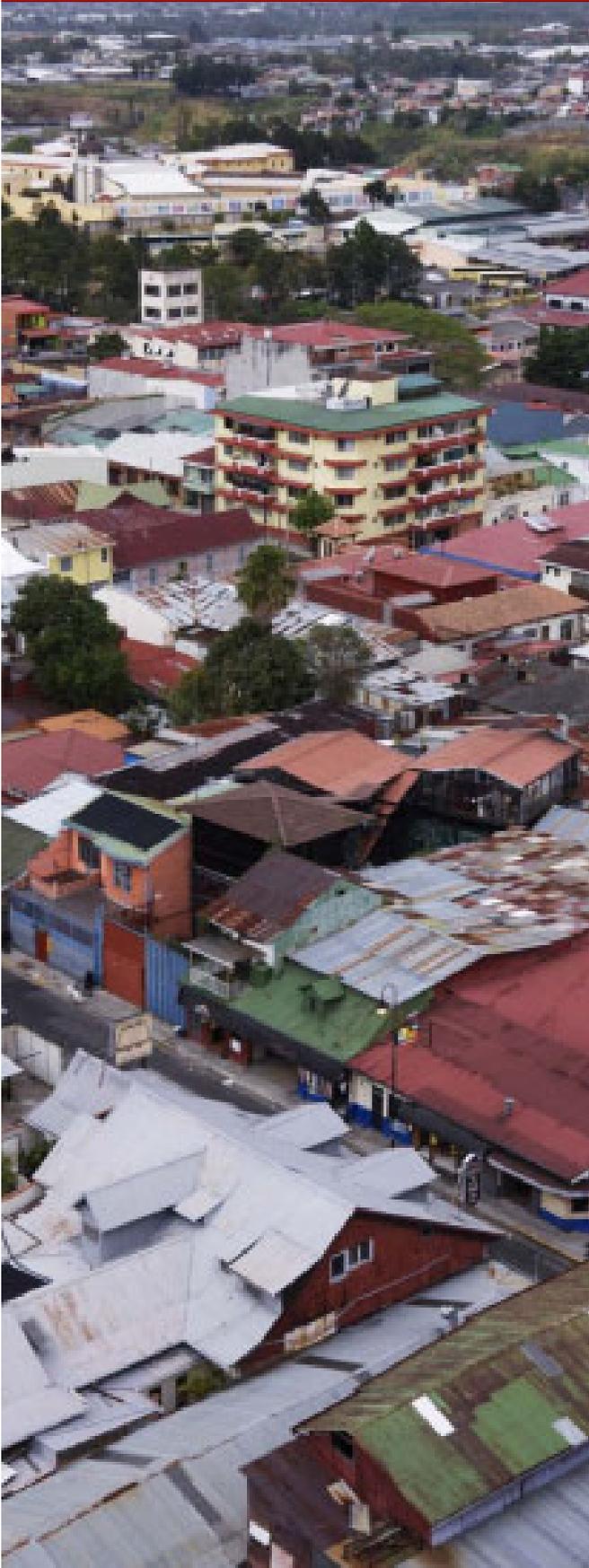
The President's Advisory Council lays out recommendations that seek to help the U.S. Government build a constituency for development aid and seek a more balanced relationship with the U.S. Government. Our organizations should be recognized as significant actors with decades of experience in both aid and sustainable development work; pertinent knowledge and skill in the design and implementation of programs; thoughtful perspectives on how programs should be structured to maximize their effectiveness and make the wisest possible use of U.S. tax dollars; and well-informed opinions on critical development-related policy issues.

We envision a future foreign policy that includes a greater engagement with and support of these civilian-led efforts. The American people, our foreign policy, and our relationship with the world's poor would benefit from a new strategic partnership of the U.S. Government with U.S. civil society groups that are engaged in sustainable development efforts and easily able to involve the in-country groups that work with those in greatest need.

The Council recommendations articulated in this report seek a new era of collaborative partnership between the U.S. Government and community-based U.S. NGOs toward our shared goal of global development.



<sup>5</sup> InterAction, *The Other Partner: NGOs and Private Sector funding for International Relief and Development*, February 2009 (available at <http://www.interaction.org>).



## OVERVIEW OF RECOMMENDATIONS

**Recommendation 1:** Launch a public campaign to promote a new era of engagement with the American public to end global poverty and promote sustainable development.

**Recommendation 2:** Engage the U.S. NGO sector actively in review and design of development strategy to strengthen global poverty reduction efforts.

**Recommendation 3:** Emphasize long-term development goals and local engagement in USAID grants and cooperative agreements.

**Recommendation 4:** Take concrete steps to increase share of U.S. development assistance awarded through partnerships with civil society organizations that have demonstrated commitment and competence to work with poor communities.

**Recommendation 5:** Place Faith-Based and Civil Society Engagement Officers in USAID missions.

**Recommendation 6:** Strengthen the capacity for local civil society engagement in development, and encourage gender-sensitive development models.

**Recommendation 7:** Revive capacity-building support for U.S. development NGOs.

**Recommendation 8:** Review and set limits on role of the Department of Defense in development work.

**Recommendation 9:** Ensure that the Partner Vetting System (PVS), as currently designed, is not implemented, and enter into more detailed discussions with U.S. PVOs to create an effective system that addresses their concerns that PVS as currently designed would significantly harm partnerships with local communities and compromises the safety of U.S. PVO personnel. Ensure that the Department of Defense's Synchronized Pre-deployment and Operational Tracker (SPOT) database authority is not expanded and that it is not applied to grants and cooperative agreements.

**Recommendation 10:** Use the Obama administration's Global Hunger and Food Security Initiative as a model for new partnerships between the Administration and civil society.



**Recommendation 1: Launch a public campaign to promote a new era of engagement with the American public to end global poverty and promote sustainable development.**

Millions of Americans have already demonstrated a commitment to end global poverty through financial and political support of U.S.-based civil society organizations that work with the world's poor. This is a powerful base on which the Administration can build a meaningful, effective, and comprehensive public information and education campaign to build on and encourage public engagement in development and share information about the U.S. Government's development assistance programs and policies. President Obama and other senior officials have called for a reengagement of the United States with the world community and the creation of a "21st century development agency" that is transparent and accountable. A sustained public campaign would make that promise real.

The White House Office of Public Liaison, working with USAID, could lead a new effort to engage the public in this campaign, using new technology as appropriate to maximize effectiveness. Simple and quick steps might be to link the Websites of the White House and the Department of State to a USAID Website that would invite Americans (and people around the world) to contribute to international development and poverty reduction. The USAID Website, in turn, could direct people to the Web sites of organizations, private development organizations, universities, and faith groups that work for development and offer individuals and local groups ways to get involved.

We also encourage the U.S. Government to revive the Biden-Pell grant program in support of civil society development education programs. The countries with publicly funded development education programs have achieved a better level of public knowledge and support for international development and poverty reduction.

Finally, all the many U.S. Government agencies and offices that carry out foreign aid programs should publish on their Websites information about what they are funding and where. They should each have a monitoring and evaluation system that is transparent for public viewing. The campaign would be a compelling opportunity for the U.S. Government to model the kinds of partnerships it advocates, making clear in each instance how the work is conceived, planned, executed, and evaluated.

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## **Recommendation 2: Engage the U.S. NGO sector actively in review and design of development strategy to strengthen global poverty reduction efforts.**

U.S. civil society organizations involved in international development and our partners in poor countries are generally convinced that U.S. Government efforts to reduce poverty and promote development around the world are overdue for reform. U.S. programs and policies do good, but they are hobbled by mixed motives, weak and fragmented institutions, and excessive control from Washington.

We applaud the Administration's decisions to review U.S. development policy and reform U.S. foreign assistance through the Presidential Study Directive<sup>6</sup> on National Development Strategy and the Quadrennial Diplomacy and Development Review (QDDR).<sup>7</sup> We appreciate what the Administration has done to engage U.S. civil society in these processes and urge that there be a section in the final reports of each that focuses on the role of the U.S. NGO community. U.S. civil society is also very much involved in parallel work in Congress, notably in the Senate Foreign Relations and House Foreign Affairs Committees. We request that there be mechanisms put in place for continuing dialogue between the U.S. NGO/PVO community and the U.S. Government and that there continue to be opportunities for public comment and transparency within both strategic efforts.

There is broad agreement among the civil society groups involved that the United States should give higher priority in its foreign assistance programs and other policies to reducing poverty and saving lives in poor parts of the world and that the United States needs a stronger international development agency, distinct from the Department of State. More U.S. assistance should support programs that reach and involve poor communities in developing countries. Many civil society groups have supported earmarks for various programs focused on poverty, but are open to working together with policymakers to reduce detailed, top-down restrictions so that U.S. development assistance can be more responsive to the people and leaders of the countries we are assisting.

Tens of millions of Americans and U.S. institutions of all kinds—charities, religious bodies, foundations, businesses, and universities—are actively involved in international poverty reduction and development. Broad reforms in foreign assistance could set the stage for much more extensive partnerships with the rest of U.S. society and with people in developing countries.

Going forward, for the U.S. Government to conduct thorough and effective reviews and assessments of its approach to development, the U.S. NGO community ought to be respected as a key actor in the development of U.S. foreign assistance strategy. We would hope that future U.S. Federal agency guidance documents might also recognize and outline this same understanding. Despite having decades of experience at the grassroots level in countries throughout the world, our expertise and knowledge—and that of our partners in poor countries—are not consistently consulted as the U.S. Government assesses and evaluates its strategic interventions in response to global poverty.

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<sup>6</sup> The September 1, 2009, Presidential Study Directive (PSD) (an order to initiate policy review procedures) authorized National Security Advisor Jim Jones and Chairman of the National Economic Council Larry Summers to lead a whole-of-government review of U.S. global development policy. White House leadership of the exercise is important given the convening power necessary to secure high-level participation by the more than two dozen government entities currently responsible for portions of U.S. development policy.

<sup>7</sup> In July 2009, Secretary of State Hillary Clinton announced the first-ever QDDR. Patterned on the Department of Defense's Quadrennial Defense Review, according to Defense's press release, the QDDR will: "Provide the short-, medium-, and long-term blueprint for our diplomatic and development efforts. Our goal is to use this process to guide us to agile, responsive, and effective institutions of diplomacy and development, including how to transition from approaches no longer commensurate with current challenges. It will offer guidance on how we develop policies; how we allocate our resources; how we deploy our staff; and how we exercise our authorities."

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### Recommendation 3: Emphasize long-term development goals and local engagement in USAID grants and cooperative agreements.

We would like to see a modification in Requests for Applications (RFAs) at USAID that would emphasize and recognize the value of preexisting community relationships, long-term presence in-country, support for sustainable development, and commitment to local participation. RFAs should include more impact and outcome criteria that support and recognize organizations that are in development for the long haul and should be scored in a way that values long-term engagement with a community and local investment. Additionally, we believe there is a need for much greater transparency in the contracting process for all parties affected: contractors, NGOs and faith-based groups, recipient countries, communities, and local groups.

There are substantial regulatory and practical barriers to NGO and faith-based organization participation in development funded by the U.S. Government. There seems to be a strong preference across all government agencies to fund development for-profit contractors rather than not-for-profit NGOs despite evidence that not-for-profit NGOs are both effective and efficient at delivering programs. It is estimated that in 2006, one-third of USAID funds were channeled to for-profit contractors.<sup>8</sup> Measured as a percentage of US government assistance dollars that are spent through PVOs, the role of US PVOs is small. A review of various sources indicates that the spending of US foreign assistance through PVOs is around 10% of the total. This role has declined significantly while at the same time the American public continues to invest billions in the work of U.S. non-profits overseas.<sup>9</sup> Moreover, we have perceived an apparent inflexibility in the funding and contracting structures of the Government to build on programs NGOs are implementing with privately raised funds.

### Learning From Past Successes

Highlights of positive engagement between USAID and NGOs in the past can provide a useful guide for ways to establish a multifaceted and robust partnership with the U.S. Government in the future.

For example, in the past, particularly in the 1970s and 1980s, several USAID missions in Asia supported large NGO programs, which included numerous points of contact with frequent consultations between NGOs and USAID missions, regional and technical bureaus, and offices. At that time, the Office of Private and Voluntary Cooperation (PVC) was a strong voice for NGOs within the agency. Its Matching Grants program provided resources that enabled many NGOs to develop new and innovative approaches—some of the pioneering work on microenterprise development was supported out of this office. From 1984 to 1988, the PVC Office invested significant resources in matching grants to NGOs for building the capacity of local NGOs. A seminal evaluation of the program in the late 1980s was the focus of Advisory Committee on Voluntary Foreign Aid deliberations on capacity building, learning from success of the past in an attempt to build on them.

Another success to examine and build on comes from the 1990s, when the USAID administrator initiated an extensive consultation process aimed at maximizing USAID-civil society engagement, bringing in the NGO community. A number of USAID-NGO taskforces were formed, each focusing on a different region or technical area; these taskforces met every Friday for 6 months with participation of USAID staff required by the administrator. During this period, USAID supported efforts for service delivery organizations to broaden into democracy and governance work. Consultations also were convened around procurement issues; one concrete outcome was a simplification of the process for Cooperative Agreements. These efforts culminated in the adoption of the “USAID-PVO Partnership” in 1995, which was subsequently revised in 2002. See: <http://www.usaid.gov/policy/ads/200/200mau.pdf>.

<sup>8</sup> According to Rachel McCleary's book *Global Compassion: Private Voluntary Organizations and U.S. Foreign Policy Since 1939* (Oxford University Press: 2009).

<sup>9</sup> USAID 2009 VOLAG, Report of Voluntary Agencies states the USG collectively spent \$4.231 billion through 569 U.S. non-profit organizations (\$4.021 through PVOs and \$210 million through Cooperatives). The total from USAID through PVOs was \$2.654 billion. According to the OECD DAC total US ODA in 2008 was \$26.842 billion and the total international affairs budget was \$42.714 billion. The percentage shares can be broken down in a number of ways:

- 15.7% - of all USG funds to VOLAG report groups as a percentage of US ODA
- 10% - of all USG funds to VOLAG report groups as a percentage of the total international affairs budget
- 11.6% - of all USG funds to 'private PVOs' as a percentage of US ODA
- 7.3% - of all USG funds to 'private PVOs' as a percentage of the total international affairs budget
- 9.9% - of all USAID funds to PVO as a percentage of US ODA
- 6.5% - of all USAID funds to 'private PVOs' as a percentage of US ODA
- 4.1% - of all USAID funds to 'private PVOs' as a percentage of the total international affairs budget

The U.S. Government funding and contracting structures should promote a greater recognition that NGOs and Diaspora community organizations are already working in-country. Many NGOs have multiple successful long-term programs being carried out in the field. Additionally, a renewed U.S. Government funding structure ought to allow and even encourage the U.S. Government to build on work already being done in-country by NGOs. Finally, umbrella grants should be PVO-based and focus on organizations already working on the ground in partnership with local NGOs, rather than turn to contractors who receive umbrella grants and then distribute funds to non-profit locals.

We see an opportunity here for USAID to provide additional training and guidance to its staff on selecting the appropriate instrument based on the nature of the relationship being created and the intended purpose of the award in an effort to deter decisions being made based on personal preferences or misconceptions.

Examples of regulations that hinder partnership abound. The Department of the Treasury's Office of Foreign Assets Control (OFAC) registration and licensing guidelines/procedures are complex and cause delays in programming by subjecting common technology items (e.g. laptop computers loaded with Microsoft Windows software) to a requirement of prior licensing. This prior licensing requirement involves time-consuming multi-agency review before the technology can be deployed to certain countries where foreign assistance is being rendered. For example, in a recent emergency food aid program funded by USAID in North Korea, grantees had to wait nearly a month for an OFAC license covering ubiquitous technology items including simple flash drives and Microsoft Office, Microsoft SQL Server, and Adobe Acrobat software. Providers needed these items to enable the Commodity Tracking System that was essential to the administration of the emergency food aid program.

In addition, these procedures hinder disaster response efforts, which typically last for one to five years. Often OFAC licenses have to be renewed every three months and typically are not approved until the last minute. Therefore NGO organizations have



## Humanitarian Assistance

Currently, there is a strong and comprehensive relationship between USAID and NGOs in the humanitarian area. USAID's Office of Foreign Disaster Assistance (OFDA) works closely with humanitarian NGOs both in the field and in Washington. Using its "notwithstanding authority" and Disaster Assistance Response Teams, OFDA often is able to make grants to NGOs within several days of a sudden onset emergency. In Washington, OFDA meets with NGOs responding to disasters abroad to exchange information about conditions on the ground as well as OFDA's funding priorities. NGOs use their influence with Congress to advocate adequate funding of the U.S. Government's emergency accounts, including that which finances USAID's humanitarian programs.

OFDA also supports the humanitarian NGO sector in several ways. It funds convening (through InterAction) of its implementing partners and other disaster-response NGOs. Responses to particular crises and evolution of the sector are discussed and debated. OFDA funds programs that foster better practices, such as the Sphere Project's Humanitarian Charter and Minimum Standards in Disaster Response, and also the course entitled "Health in Complex Emergencies," currently offered by a consortium that includes the International Rescue Committee and Columbia University. The USAID office also has encouraged development and dissemination of good/best practices through workshops on shelter, livelihoods, and public health threats.

OFDA has been attentive to the growing threat to NGOs' security as their personnel have lost their immunity and become targets of criminals and political actors prone to pay more attention to opportunities for theft and intimidation than to respect for humanitarian law and principles.

The positive relationship developed between the humanitarian community and USAID and the Department of State should serve as a case study to build on and apply to other areas—including the development community.

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to prepare both to close down the program and to keep it going at the same time.

Similarly, the Department of Commerce's Bureau of Industry and Security licensing requirements are geared toward commercial transactions and not to organizations conducting humanitarian programs. They fail, therefore, to take into account the unique characteristics of NGOs.

**Recommendation 4: Take concrete steps to increase share of U.S. development assistance awarded through partnerships with civil society organizations that have demonstrated commitment and competence to work with poor communities.**

We strongly believe that the U.S. Government should spend more of its development assistance budget supporting programs that work directly with poor communities in developing countries. We think this is best done by increasing the share of U.S. Government development assistance that goes through grants and cooperative agreements with PVOs. As noted in Recommendation 3, in recent years, there has been a trend in favor of development dollars traveling toward for-profit vendors.<sup>10</sup>

For better development outcomes, we also urge that the U.S. Government be more creative in all of its funding decisions. We further urge that the U.S. Government carefully examine which development actors in any given setting (local governments, local NGOs, international NGOs that do local capacity building, and diverse religious bodies) are best suited to achieve development outcomes that truly serve the needs and concerns of the poorest people while recognizing and respecting the diverse cultural and religious landscape of the country.<sup>11</sup> This effort might also include engaging new and smaller development groups that are not currently in partnership with the U.S. Government, including faith-based groups representing America's pluralism, Diaspora community organizations and others.

Our recommendation here is not to favor a particular set of political constituents, nor to favor organizations that are already contracting with the U.S. Government, but to build up a broad and diverse spectrum of civil society organizations as partners in development.

Too often, for profit-contractors are hired and then measured on their capacity to achieve short-term objectives; NGOs and community-based organizations know that effective and sustainable development is founded on multiyear efforts that demand collaboration with affected communities. A greater share of U.S. Government support going through grants and cooperative agreements would ensure more effective partnerships to achieve development outcomes.<sup>12</sup>

We would like to see the U.S. Government move toward the goal of one-third of development assistance across government being spent in partnership with PVOs. By increasing the share of development assistance flowing through PVOs, the U.S. Government would be affirming and supporting the choices of the millions of American citizens who are donating their dollars to these same trusted charities and non-profits. Short of that, we would request an alternative quantifiable measure of the extent to which development assistance delivered through private for-profit contractors is building up partner organizations and working with poor communities in developing countries.

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<sup>10</sup> USAID, *Analysis and Recommendations of Trends in USAID Implementation Mechanisms*, July 2007 (available at [http://www.usaid.gov/about\\_usaid/acvfa/im\\_recommendations.pdf](http://www.usaid.gov/about_usaid/acvfa/im_recommendations.pdf)).

<sup>11</sup> The Council notes existing USAID regulations that state: "Organizations that receive direct financial assistance from USAID under any USAID program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services directly funded with direct financial assistance from USAID." See 22 C.F.R. Section 205.1(b) (2010).

<sup>12</sup> For the realization of this goal, USAID staff capacity and training are key, and we support efforts to improve USAID capacity in this regard. Ideally, USAID should be able to collaborate with a full range and mix of partner institutions that are selected based on a fair and open process with the needs of the communities served being the paramount consideration.

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We support an assessment and review of the contract-type mechanisms, which would lead to a revision of regulations and accounting structures at the Office of Management and Budget to take into account the benefits of building up civil society institutions as long-term partners in development. We would similarly support an assessment and review of the Treasury guidelines, and the Commerce licensing requirements, which would lead to a revision of regulations and accounting structures.

**Recommendation 5: Place Faith-Based and Civil Society Engagement Officers in USAID missions.**

As USAID makes plans to scale up staff, the Council recommends that USAID appoint a Faith-Based and Civil Society Engagement Officer at every USAID mission to reach out to and partner with organizations on the ground. Ideally, these staff positions will reflect not only the diversity of the countries they serve, but also the diversity and pluralism of America.

These staff positions would report directly to the Chief of Mission for that country, would work across U.S. Government agencies working in-country, would create opportunities for ongoing dialogue between in-country civil society and NGOs, and would facilitate the creation of joint programs between the U.S. Government and NGOs based on locally identified needs. This effort should also include engagement of a broad spectrum of actors, including diverse local religious leaders and faith-based and secular non-profits, as well as engaging members of the Diaspora from each country living in the United States in development work impacting their country of origin.

Engaging NGO staffs (both in Washington and in the field) and their in-country partners on a range of issues regarding specific countries and sectors would strengthen and deepen the effectiveness of U.S. Government in-country programs. Possible approaches might include the following:

- With the leadership of the Department of State and USAID, the U.S. Government could institute a monthly consultation, sector or country-specific, with the U.S. NGO community to solicit feedback and guidance on U.S. Government programs and interventions.
- The Chief of Mission in all countries could be given a clear mandate to consult with multiple U.S. and local NGOs through a regular and ongoing dialogue. The Chief of Mission should regularly collaborate and communicate with those U.S.-based NGOs that work in-country and with their local partners and develop mechanisms for accountability to this dialogue.
- Where USAID mission directors are not already engaged in such meetings, they might be expected to conduct monthly meetings with NGO country directors.



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**Recommendation 6: Strengthen the capacity for local civil society engagement in development, and encourage gender-sensitive development models.**

Strong civil society organizations, especially organizations that include or represent poor people, are important to successful development and poverty reduction. Communities and concerned individuals organize themselves to meet social needs directly and to urge their governments and aid agencies to respond to social needs and to use public funds effectively. Civil society organizations include faith groups, local development NGOs, advocacy groups (on the environment, for example, or on gender justice issues), and organizations that include many poor people (such as farmer associations, labor unions, and low-income community organizations). Gender equality is fundamental to development effectiveness, and investments in women and girls have proven successful toward reducing global poverty and improving the lives of the world's poorest individuals; therefore, gender-sensitive development models should be encouraged. In many countries, families of civil society organizations have grouped themselves together, partly to facilitate their interaction with government and external assistance agencies. The U.S. Government can play a key role in solving problems locally by being even more open to dialogue with and support for civil society organizations.

We suggest that the U.S. Government's development assistance programs publish data on their grant funding to local civil society organizations and set targets for increased support.

A strong civil society is critical to providing the checks and balances to ensure that governments are responsive to their people, that both donor and government-funded development activities are participatory and reflect the needs of the national population, and that they have clear accountability for outcomes. An effective and functioning civil society is a crucial factor that will allow countries to graduate from assistance.

We would like to see the U.S. Government pay particular attention to the potential of civil society partners in developing countries to:

- Organize and carry out *services* of benefit to the community by including resources to build the operational capacity of local organizations in every USAID-funded program;
- Create opportunities for *organization* and create *channels*, including *meeting places* for collaboration, through which individuals and groups who are poor and discriminated against can make their voices heard, raise demands for the realization of their human rights, and influence the development of society;
- Act as *proposers of ideas* and *watchdogs* of those in power;
- In general terms, and particularly under authoritarian regimes, act as a *counterweight* to and *force for democratization* regarding the state; and
- Offer *adult education* to strengthen the capacity of individuals and groups who are poor and discriminated against to change their lives.

NGO platforms, which serve as umbrella organizations for local and international NGOs in-country, support civil society organizations and provide an effective link to national governments and donors. We strongly encourage USAID and the Department of State to develop a structure that creates a positive working relationship with these national NGO

platforms. There are currently 86 countries with established national NGO platforms, or coordinating mechanisms. The U.S. Government can strengthen the capacity of the national platforms and its own ability to partner effectively with NGOs in-country through increased funding for capacity building and technical assistance as well as strategic support for the institutional and operational strengthening of NGO platforms. These efforts, coupled with support of local civil society organizations, will yield a more vibrant sector that can support effective development efforts.



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### **Recommendation 7: Revive capacity-building support for U.S. development NGOs.**

There is a strong public policy benefit to connect the U.S. Government with the full range of U.S. civil society organizations interested in international development both to engage broader sectors of the U.S. public and to remove barriers to groups that can deliver services. Recognizing the diversity of U.S. civil society organizations involved in development, we suggest that USAID improve its great work by providing ready and meaningful access to resources, networks, and information to smaller and even larger NGOs and faith groups that have limited experience working with the U.S. Government. Where larger NGOs are concerned, the U.S. Government might consider focusing on leveraging their substantial investments by providing opportunities for robust collaborations and building capacity to work with the U.S. Government.

Our sense is that the U.S. Government has room to further develop its partnerships with the NGO community by paying more attention to smaller, faith-based, and more “grassroots” NGOs, including those representing America’s pluralism and Diaspora communities. USAID disbanded its office that supported private voluntary organizations through capacity-building grants. This program’s demise put smaller and medium-sized NGOs at a disadvantage and limited the U.S. Government’s relationships with the established NGO community.

Small- to mid-sized organizations, especially those that are not currently partnering with the U.S. Government, are in need of support in establishing a relationship. One idea for a helpful mechanism to meet this need would be to establish a fund for small- to mid-sized NGOs to build their capacity to operate in this and other countries. This fund could be supplemented by an increased small grants program for mid-sized NGOs and local NGOs, to help them initiate partnerships with the U.S. Government through its various funding structures.

As USAID focuses on increasing its capacity and hiring new staff, we recommend specific training that highlights the powerful contributions to development made by NGOs and Diasporas in the United States and in the field and encourages partnerships with these sectors. The U.S. Government would help solve development challenges by strengthening local (in-country) NGOs with targeted funding. We also would encourage the creation of a transition fund intended to help “pass the baton,” from NGOs carrying out U.S.-funded development programs to host governments or local NGOs. As we have said in the Reform of the Office report, in awarding capacity-building grants (as with all grants), the Government should make decisions on the basis of merit, not political or religious considerations.





### **Recommendation 8: Review and set limits on the role of the Department of Defense in development work**

Since 1998, the Department of Defense's share of U.S. Official Development Assistance increased from 3.5 percent to 22 percent. The Department of Defense has dramatically expanded its relief, development, and reconstruction assistance through programs such as Section 1207, the Commanders' Emergency Response Program (CERP), and the Combatant Commanders' Initiative Fund, as well as through the activities of the regional combatant commands, particularly AFRICOM and SOUTHCOM, and the Provincial Reconstruction Teams (PRTs).

Yet, the Department of Defense does not appear to have a methodology for measuring the effectiveness of its development and humanitarian activities. In light of the fact that these are not its core competencies, but those of USAID, we think it would be particularly appropriate and helpful for the Department of Defense to measure its development effectiveness in close coordination with experts at USAID.

As a general rule, experienced civilian agencies, especially USAID, seem to us to be best placed to support effective development, humanitarian assistance, and reconstruction activities that address the needs of the poor. Similarly, the Department of Defense is uniquely suited to a wide range of military and defense purposes. In light of the increased development and reconstruction work being done under the auspices of the Department of Defense in recent years, we recommend a U.S. Government requirement for the Department of Defense to demonstrate the utility of specific development, humanitarian, and reconstruction activities it undertakes to advance security interests.

At the same time, it should monitor and evaluate development and humanitarian activities according to international standards and best practices, including how such activities impact local communities and their relationship with U.S. PVOs.

The kinds of short-term, "quick-impact" projects that are typically implemented for security purposes tend to be unsustainable because they address the symptoms of poverty, as opposed to its underlying causes. Such projects do not usually encourage community ownership and participation, which are essential for addressing the long-term needs of beneficiaries. In our experience, these projects often restrict the access of PVOs, undermine the development process by failing to promote sustainability, and even hinder the mission of preventing further conflict.

Last, we have found that the blurring of boundaries between civilian and military actors in the field has heightened insecurity for PVO staff, local partners, and beneficiaries and has thus restricted access to the communities served.

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**Recommendation 9: Ensure that the Partner Vetting System (PVS), as currently designed, is not implemented, and enter into more detailed discussions with U.S. PVOs to create an effective system that addresses their concerns that PVS as currently designed would significantly harm partnerships with local communities and compromises the safety of U.S. PVO personnel. Ensure that the Department of Defense's Synchronized Pre-deployment and Operational Tracker (SPOT) database authority is not expanded and that it is not applied to grants and cooperative agreements.**

The U.S. Government has a number of procedures in place to help minimize the risk that taxpayer-funded assistance could be diverted for terrorist purposes. These include restrictive clauses in solicitations, contracts, and grant agreements; NGO certifications prior to award of assistance instruments; and mandatory checks of OFAC and other public lists of designated terrorists.

While some of these procedures are justified and effective, others directly hinder the ability of faith-based and nonprofit groups to function with the independence and neutrality needed to build the trust of a local population. In fact, such procedures can put the lives of their staff at risk.

To complement existing procedures, USAID has been developing a capability known as the Partner Vetting System (PVS). PVS is a program under which USAID will screen applicants for funding by comparing data collected from them against data in secure terrorism databases maintained by the U.S. Government law enforcement and intelligence communities. A vetting program separate from the proposed PVS has been implemented in Gaza. The U.S. Agency for International Development implemented in 2004 a worldwide anti-terrorism certification rule that requires the vetting of all U.S. PVO personnel. It was implemented after 3-years of extensive negotiations with U.S. non-profits, foundations, and other members of U.S. civil society. This vetting system has been implemented worldwide by the U.S. PVO community at a cost often exceeding \$100,000 per organization.

Prior to awarding assistance funds, USAID's PVS would screen all principal individuals, officers, or other officials of a potential recipient, as well as first-tier subrecipients of assistance and recipients of scholarships. USAID would screen principal individuals of organizations applying for USAID registration as PVOs.

On April 1, 2009, USAID issued an Acquisition and Assistance Policy Directive (AAPD), requiring the addition of a contract clause and assistance provision to new solicitations and existing awards in Iraq valued over \$100,000. The clause or provision requires contractors and award recipients to enter employee information into the SPOT database monitored by the Department of Defense. The AAPD results from section 861 of the 2008 National Defense Authorization Act. Section 861 directs the Secretary of Defense, Secretary of State, and USAID to enter into a Memorandum of Understanding (MOU) related to contracting in Iraq and Afghanistan. In the MOU, the three agencies agreed that the Department of Defense's SPOT database will record contract and contract personnel information *required* by section 861. The three agencies also agreed *voluntarily* to apply these same requirements to grants and cooperative agreements in Iraq and Afghanistan. At this time, the AAPD only applies to contracts, cooperative agreements, and grant awards in Iraq. The authority from section 861 could be expanded.

Grounded in many years of trust building and partnership, the critical relationship between PVOs and their in-country local partners will be seriously damaged if we are forced to subject our local partners to the PVS, SPOT, or another similar process. In a country such as Lebanon, for example, U.S. PVOs work with a range of credible local groups to deliver badly needed services to people across sectarian lines. This work advances U.S. national interests by strengthening nonviolent groups, demonstrating that basic living conditions can improve in the absence of fighting, and indirectly undermining the appeal of violent elements of society. Should U.S. PVOs be required to comply with the PVS or similar process, Lebanese local partners would distance themselves from U.S. PVOs, who would inevitably be perceived as too closely tied to U.S. security and intelligence interests. As these partners severed their relationship with PVOs, extremist groups would also perceive that U.S. PVOs were connected with the U.S. security structure and would target PVO staff and their local partners.

**Recommendation 10: Use the Obama Administration’s Global Hunger and Food Security Initiative as a Model for new partnerships between the Administration and civil society.**

In order to demonstrate how the recommendations listed above would translate into practice, we have decided to apply many of the key principles and suggestions to the specific case of the Global Hunger and Food Security Initiative. We are aware that we could create a similar list for other areas. In the box below, we have outlined a blueprint for our vision and specific ideas to create, enhance, and innovate partnerships between U.S. Government and faith-based and community groups. Our sector’s extensive knowledge about and experience with fighting hunger in the developing world make this a particularly constructive area for us to use as a template to explore practical applications of our recommendations. The interagency planning team has been open to suggestions from interested NGOs, and these recommendations are made with that in mind, with the goal of creating a model for such partnerships in all sectors of global development work.



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## Recommendations Applied to the Obama Administration's World Hunger Initiative

### 1. **Launch a public engagement campaign.**

The President's announcement of a hunger and food security initiative is an important and welcome step in reinvigorating U.S. standing in the world and addressing the needs of hungry and poor people.

The Administration could start the expanded program of public engagement we recommend with its hunger initiative. In keeping with President Obama's call for transparency and accountability in government, a hunger initiative Website can serve as a model and first step for a more thorough Web portal that provides information about U.S. programs and policies in support of global development and poverty reduction. The Website should link with USAID, inform people about Global Hunger and Food Security and poverty, and provide information about what our government is doing. It should also explain how individuals can help to reduce world hunger and link to the Websites of U.S. NGOs that are active on agriculture, hunger, and food and nutrition security programs. The name of the Administration's initiative should clearly reflect its compelling purpose: to reduce hunger, mainly by strengthening agriculture among the world's poor.

### 2. **Reform foreign assistance and engage civil society in the process.**

The Department of State has led an interagency team in planning the hunger and food security initiative, and they have done a commendable job in seeking input from civil society. NGOs have urged a comprehensive approach that includes agriculture, nutrition, safety nets, and emergency assistance. The engagement of NGOs should be continued, especially as the Administration decides how to manage this initiative in a way that will contribute to the broader reform of development policy and foreign assistance.

### 3. **Emphasize long-term development goals and local engagement**

Secretary Clinton has repeatedly stressed that this initiative will be grounded in country consultations that bring the host government, official donors, and diverse civil society organizations together to consider local needs and coordinate efforts. This is an excellent strategy. Special efforts will be required to strengthen the participation of farmer organizations and organizations that represent women, extremely poor groups, and the environment. The U.S. Government should support U.S. NGOs with relationships with these local groups to help them contribute meaningfully to the consultation process and followup actions.

During the implementation of the hunger initiative, RFAs should stress the importance of preexisting community relationships, long-term presence in-country, and commitment to local participation.

### 4. **Increase the share of U.S. development assistance awarded through partnerships with civil society organizations that have demonstrated commitment to working with poor communities.**

To get the hunger initiative started quickly, the U.S. Government should support an expansion of U.S. NGO projects in agriculture and food security that are already underway.

On an ongoing basis, the Administration's hunger and food security initiative can be a model of an expanded partnership between the U.S. Government and civil society organizations. U.S. and local civil society organizations should also be involved in monitoring

implementation and results, including surveys to check whether the initiative is resulting in improvements in child nutrition.

**5. Place religion and civil society engagement officers in USAID missions.**

The initial countries of focus for this initiative should also be among the first countries with civil society engagement officers at USAID.

**6. Strengthen the capacity for local civil society organizations.**

The effectiveness of food and nutrition security programs will depend in part heavily on civil society groups, many of them faith and community based, that have direct contact with farmers and hungry people. Building the capacity of these groups will allow them to participate in planning and implementing the hunger initiative. Only through full implementation of this recommendation will the perspectives of women who are often the smallest subsistence farmers, the experience of farmer cooperatives, and the real issues of environmental sustainability be reflected and acted on.

**7. Revive capacity-building support for U.S. development NGOs.**

We specifically recommend support for smaller U.S.-based NGOs that are doing food and nutrition security work in developing countries. They often do solid development work, complement public funds with private contributions, and mobilize millions of concerned Americans.

## CONCLUSION

President Obama has issued a clarion call for a new era of U.S. engagement with the world. Tangible action must follow that call. The recommendations contained in this document represent the best and most considered thinking from an underused resource of development experts who have honed over decades successful and proven methods of designing programs, building relationships, and leveraging resources. Reinvigorating and leveraging the relationship of the U.S. Government and the U.S. NGO community is essential to more effective U.S. engagement in the world and renewed progress toward overcoming global poverty.



