

Organizing for Aid Effectiveness: A Multi-Case Study of U.S. Foreign Aid Delivery
Models

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DEDICATION

To both of my Fathers in Heaven: My eternal Father, the Lord Jesus Christ and my beloved father, Mimo Louis Scappini.

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LIST OF ABBREVIATIONS

ADS	Automated Directives System
AE	Accountable Entity
AO	Area of Operation
CAP	Community Action Program
CAT	Civil affairs team
CDP	Compact Development Process
CERP	Commander's Emergency Relief Program
CMO	Civil-Military Operations
CoP	Community of Practice
CS	Civil Support
DOD	Department of Defense
DOS	Department of State
ePRT	embedded - Provincial Reconstruction Team
FAA	Foreign Assistance Act
FAR	Federal Acquisition Regulation
FARA	Fixed Amount Reimbursement Agreement
FOB	Forward operating base
IDIQ	Indefinite Delivery/Indefinite Quantity
IRRF	Iraq Relief and Reconstruction Fund
ITAO	Iraq Transition Assistance Office
JCP	Joint Common Plan
JPRC	Joint Planning Resource Committee
KSA	Knowledge, Skills and Abilities
LGP	Local Governance Program
M&E	Monitoring and Evaluation
MCA	Millennium Challenge Act
MCC	Millennium Challenge Corporation
MDG	Millennium Development Goals
MfDR	Managing for Development Results
MNF-I	Multinational Force - Iraq
MOF	Ministry of Finance
MOU	Memorandum of Understanding
NDS	National Development Strategies
O&M	Operations and Maintenance (budget category)
OECD	Organization for Economic Cooperation and Development
PART	Program Assessment Rating Tool (of the PMA)

PD	Paris Declaration
PDS	Provincial Development Strategies
PFM	Public Financial Management
PIU	Project Implementation Unit
PPD	Presidential Policy Directive
PRDC	Provincial Reconstruction Development Council
PRT	Provincial Reconstruction Team
QDDR	Quadrennial Diplomacy and Development Review
SOW	Statement of Work
U.S.	United States
USACE	U.S. Army Corps of Engineers
USAID	United States Agency for International Development
USDA	U.S. Department of Agriculture
USG	United States Government

ABSTRACT

ORGANIZING FOR AID EFFECTIVENESS: A MULTI-CASE STUDY OF U.S. FOREIGN AID DELIVERY MODELS

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The Organization for Economic Cooperation and Development (OECD) has advanced an agenda to improve the effectiveness of foreign aid delivery and receipt which has yielded universally accepted principles of aid effectiveness presented in the Paris Declaration for Aid Effectiveness. This research applies postmodern organizational theory to an analysis of the organizing principles and implementing practices of three U.S. aid delivery models: the traditional Agency for International Development (USAID) model, the incentivizing Millennium Challenge Corporation (MCC) model, and the inter-agency Provincial Reconstruction Teams (PRTs) model to reveal the disconnects between U.S. foreign aid policy and its performance.

CHAPTER 1: INTRODUCTION

Foreign Aid

Definition and Purpose

Foreign aid as we know it today, i.e., as “the voluntary transfer of public resources from a government to another independent government, ...one goal of which is to better the human condition in the country receiving the aid”(Lancaster, 2007),¹ was not always the norm. Development aid—improving the quality of life—had to evolve as the domestic politics of donors came to expect it from their public resources. The evolution of a political and professional cadre of foreign aid agencies, enterprises, lobbies and individuals created an industry with a political voice, while HIV/AIDS, African starvation, and the world’s malaria victims gave it a face.² The definition is necessarily broad in order to encompass the many purposes of aid, including *diplomatic* aid (spreading democracy), the *commercial* aid (expanding U.S. business opportunities),

¹ This is the definition of official development assistance (ODA) used by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), with two distinctions:(1) the DAC definition includes only low-income countries, whereas Lancaster’s definition includes official assistance, which is concessional public transfers to other than low-income countries; and (2) the DAC uses a broader definition of development than is intended by Lancaster. See rationale provided on page 10(Lancaster, 2007)

²Foreign aid has many definitions depending on who is doing the defining. The current industry definition of foreign aid includes all public- and private-sector transfers of capital. This all-encompassing definition includes the public-sector official development assistance and official assistance as well as any other forms of public humanitarian assistance. Additionally, this definition would include private-sector foreign direct investment (FDI) and foreign portfolio investment (FPI).

humanitarian aid, dealing with *global problems* (such as the environment), addressing *cultural* issues (such as the support for an Israeli homeland), the *prevention/mitigation of conflict*, the support of *social/economic transitions* and the current *security assistance/nation-building* in Iraq and Afghanistan, and *economic development* aid. The organization of U.S. foreign aid delivery is managed by more than twenty-five different government agencies with differing specializations and competing political interests and budgets (Easterly, 2006; Lancaster, 2007; The HELP Commission, 2007). This fragments and politicizes foreign aid, as each organization and agency seeks its own survival (W. R. Scott, 2001; Wilson, 1989) and the expansion of its particular slice of the International Relations Account,³ which is further divided into earmarked subspecialties (Atwood, 2008; Dijkerman, 2006).

Organizational Forms

Public monies are used to fund these purposes in a host of organizational forms, such as the United States Agency for International Development (USAID); the Millennium Challenge Corporation (MCC); the President's Emergency Plan for AIDS Relief (PEPFAR); the individual foreign aid programs of the departments of the Executive Branch of the U.S. Government from the Departments of Defense (DOD), State (DOS), Agriculture, Justice and Interior; the provincial reconstruction teams (PRTs) used in Iraq and Afghanistan; and a host of multilateral development agencies. There are different organizational approaches to implementing aid depending on the political

³ Or another account within the national budget or separate appropriations bill (e.g. IRRF for Iraq). Much of the U.S. international program spending is NOT reflected in the 150 Account for International Relations but rather appears in each Executive Department's programmatic budget.

objectives of the authorizing legislation and appropriations restrictions, creating unique models of organizing aid delivery. The USAID and the departments of the Executive Branch use the traditional model, which is centered around the commercial interests of American sources for foreign aid program procurements enacted in the Foreign Assistance Act (FAA). The MCC's authorizing legislation is the Millennium Challenge Act, creating the "incentivizing model," which represents the U.S. approach to addressing the Millennium Development Goals. The PRT interagency model, which is authorized by a mix of legislation, including some of the limitations of the FAA, is the U.S. organizational form deployed to Afghanistan, and later to Iraq,⁴ to address the nation-building, reconstruction and development needs of these war-torn environments. This research presents case study findings on the organizing principles and implementing practices of these three modes.

Problems

For the past fifty years, foreign aid has been delivering lackluster results relative to the changing nature and scope of international development challenges. Unlike during the Marshall Plan years, United States foreign aid no longer has a set of consensual objectives, nor is there a decrease in international solidarity to address the complex nature of global challenges; not less but more money is being poured each year into foreign aid that is being delivered by an ever-longer list of foreign aid service providers. Outdated concepts about the unity and clarity of the international community's goals are giving

⁴ Iraq PRTs had very different policy objectives from the Afghanistan PRTs which resulted in differences in organization, funding and leadership with disastrous development consequences, as is presented in the PRT case in Chapter 4. See (Fukuyama, 2006) for a description and implications of these differences.

way to a complicated and “wicked”⁵ mix of global sociopolitical and economic problems requiring more complex and coordinated solutions for a globalized world.” The world has changed and U.S. assistance programs have not kept pace” is one of the critical findings in the HELP Commission Report (2007). The report explains:

The development challenges of the 21st century differ from those of the 1960s when the principal legislation governing America’s foreign assistance took effect. Changes in economic conditions, demographics, technology, and in our understanding of the potential consequences of local and global environmental risks, require new ways of promoting development.

Decades-long criticisms of U.S. foreign aid policy can be summarized as follows: (1) U.S. aid objectives are overly broad, consisting of too many U.S. political interests; (2) these interests are not consistent with the needs of developing partners; (3) there is inadequate oversight of foreign aid delivery; (4) there is ineffective measurement for development impacts; and (5) there is no national strategy or organizational coherence (Adams, 2008b; C. Adelman, Nicholas Eberstadt, et. al., 2007; Amawi, 1996; Bandow, 1997b; Brainard & Lancaster, 2006; Burnside & Dollar, 2000; Easterly, 2003, 2006; General Accounting Office, 1995a, 1995b, 1996, 1999; Ingraham & Kettl, 1992; R. W. Johnson, 1998; Lancaster, 2000; Lancaster & Van Dusen, 2005; Randel & German, 1997;

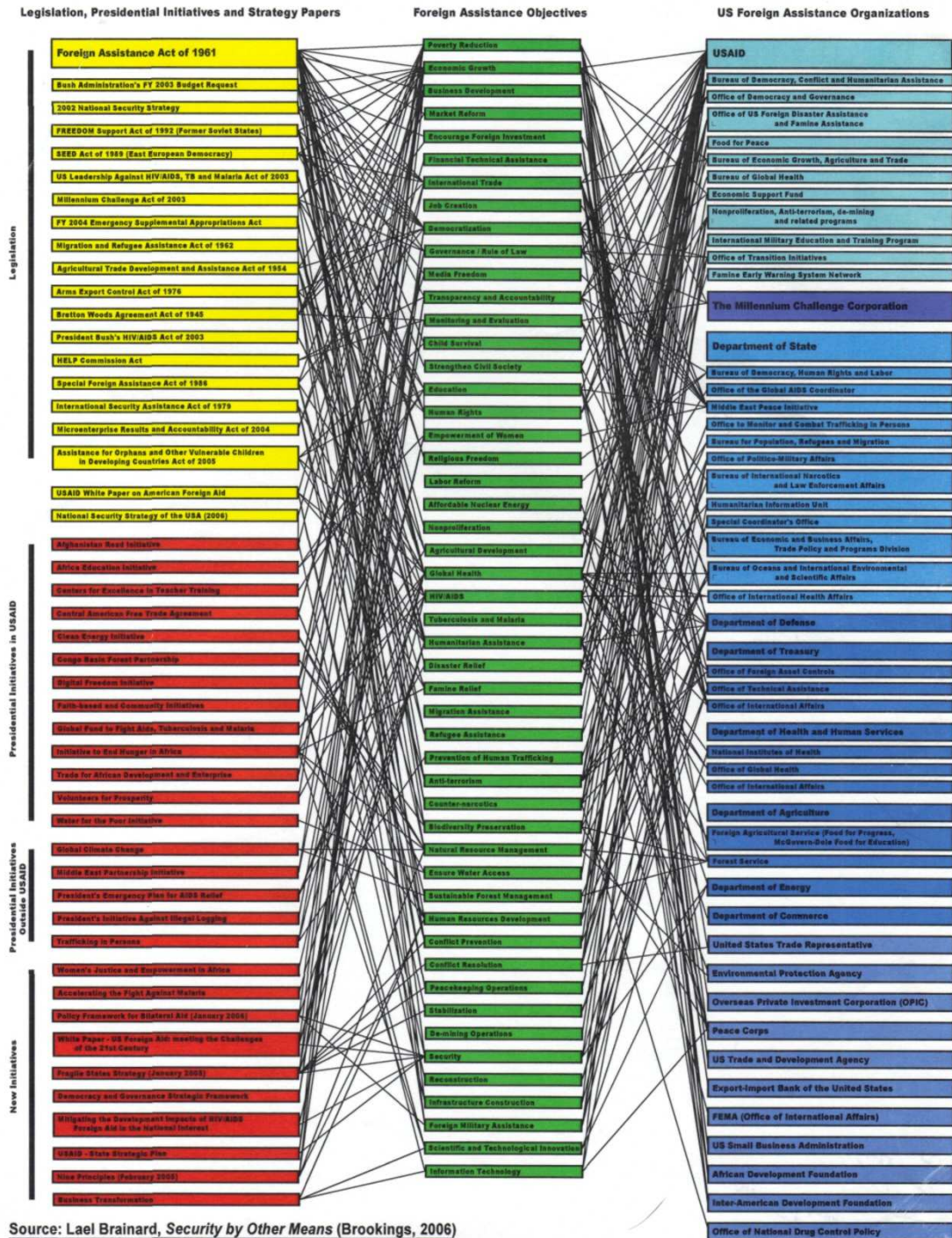
⁵ “Wicked” problems are defined as those that have no definitive end but rather shift with changing circumstances, interest or available resources. See (Conklin, 2006; Rittel & Webber, 1973).

Roodman, 2006; Scappini, 2002; U. S. General Accounting Office, 1996b; United States Agency for International Development, 2004d).

Additionally, given that aid is a voluntary transfer, it is tied to the domestic political ideologies of the party currently in power. These different ideologies change legislative authorizations and appropriations, which influence operational practices, funding methods and institutional arrangements. They are used to identify (1) which countries receive aid in current-year appropriations cycles and (2) data reporting requirements in support of policies being put forth from these ideologies. The frequency in turnover of political interests, and the congressional appropriations tactics⁶ that change legislation without rewriting it, bypassing the U.S. democratic governance process that U.S. aid promotes (Rennack, 2010), creates the aid industry complexity represented in Figure 1. This figure reflects the legislation, presidential directives and the mission overlap amongst the host of U.S. government agencies delivering foreign assistance.

⁶Congress has been using appropriations authority to sidestep existing legislation. These politically motivated changes actually represents the commercial and political interests of the constituencies of the congressman funding select sections of the FAA with special earmarks or directives (Rennack, 2010). The issue, however, is whether this selective appropriation is actually a U.S. interest or whether it simply changes procurement targets—a shift in where/to whom the money goes, rather than what it is to achieve.

US Foreign Assistance Legislation, Objectives and Organizations



Source: Lael Brainard, *Security by Other Means* (Brookings, 2006)

Figure 1. The Organizational and Legislative landscape of U.S. Foreign Assistance

An issue not adequately addressed in the literature on foreign aid is that of how policy is translated into performance. What happens in the gap between the statement of policy directives and the way in which aid is actually delivered? And does that aid achieve the results sought by that policy? There is a mismatch—a disconnect—between the rhetoric of foreign aid policy, which changes with the political tide, and the reality of foreign aid performance in the field, which requires decades of consistent effort to yield sustainable and meaningfully measureable impacts. The rhetoric calls for reform and is full of references to whole-of-government, integrated interagency approaches to transformational development, aid effectiveness and a focus on partner priorities, leading us to believe we are making progress in solving the world's wicked problems, but this is a feel-good truthiness narrative⁷ (The National Security Council, 2007; The White House, 2001, 2002b, 2005, 2010a, 2010b; U. S. Department of Defense, 2010; U. S. Department of State, 2003, 2007a, 2007c, 2010; United States Agency for International Development, 2010b).

How to View the Gap

How this rhetoric-reality mismatch is addressed depends on the view from which one is considering the issues. This chapter introduces three views which are instrumental in forming the basis of the theoretical model used in this research, which is explained more fully in Chapter 2.

⁷www.urbandictionary.com/define.php?term=truthiness. "The quality of preferring concepts or facts one wishes to be true, rather than concepts or facts known to be true" (American Dialect Society, January 2006)

Western modern organizational design is referred to herein as the “view from the top,” referring to a system serving the interests of the people at “the-top” and aimed at keeping them there (Addleson, 2011). The underlying assumption is that if the top (management personnel) can control the inputs, they will be able to control the outputs, a strategy which creates a hierarchical, controlling chain of command. In 19th century sequential business processing, internal efficiency was the goal, i.e., minimizing the costs of resources while maximizing the physical outputs (such as cars or widgets) for effective performance (increased profits). There was little attention paid to the gap, since the processes were routine or mechanical, and thus efficiency was gained by organizing processes by similar function—the division-of-labor model of industrial efficiencies through specialization.

Applying this view from the top to foreign aid, the difference in this rhetoric-reality mismatch is that there is no direct relationship between “the-top,” management control of inputs and the intended performance. The rhetoric from “the-top” claiming policy objectives of a whole-of-government, integrated interagency approach to transformational development that focuses on the needs of our partners, are only policy “inputs.” These policy inputs must be translated into practices that yield outputs that are intended to ultimately achieve the rhetorical policy objectives of sustainable, transformational development for partners in the longer term. This view from the top control of policy inputs places the performance attention on budget execution and

reporting of expeditious,⁸ same-year results that support the political objectives that created the policy inputs, completely disconnected from the rhetorical performance objectives. This view's attention to “the gap” prioritizes U.S. foreign aid agency reorganization—shuffling the boxes on the organizational chart—without considering what happens, or needs to happen, between those boxes to create meaningful foreign aid development practices for more effective foreign aid. The gap is so complicated that it is virtually ignored by the view from the top managers with over confident beliefs that their actions are correct. Agencies are left to figure out how to achieve the bifurcated performance of meeting policy expectations and partners’ needs on their own and are branded “failed” or “ineffective” when they are unable to successfully bridge the gap. The control orientation of this view from the top, with its repeated calls for aid reform, as if the mere speaking of the policy will actually call it into existence, allows political rhetoric to ignore the process of reforming institutional practices and the Congressional expectations that mandate them thereby diminishing the capacity and effectiveness of U.S. aid delivery (Atwood, 2008; Bandow, 1997b; Brainard & Lancaster, 2006; Easterly, 2003; General Accounting Office, 1996, 1999; Natsios, 2010; The HELP Commission, 2007; The World Bank, 1997, 2000; U. S. General Accounting Office, 1996b, 1999a).

As one can imagine, the “view from the bottom” of the socioeconomic status has an opposite focus, which is on basic needs. Consider Maslow⁹'s hierarchy of needs,

⁸The use of the term “expeditious” here refers to a timing mismatch—another disconnect—between Congressional expectations of results that can be attributed to same-year appropriations, on the one hand, and the decades that are necessary for achieving meaningful development results, on the other.

⁹ Maslow's hierarchy of needs is a theory in psychology proposed by Abraham Maslow in his 1943 paper “A Theory of Human Motivation” in *Psychological Review*.

where the basic needs of “the bottom” must be met before any other level of development can be attempted (Maslow, 1954). From this perspective, the bottom expects help, demanding resources from the (rich, self-actualized) top to meet these basic needs. The attention is on socio-cultural interactions within the community, a form of mass collaboration. While it is not as efficient a model, it is only through this collective labor that the community is able to manage the processes involved in their mutual survival.

This research will show that the U.S. perspective, with a political disregard for the development needs of partner countries, controls the aid delivery process from the Capitol. Not only does Congress exert view from the top micromanagement and control of what U.S. aid will deliver, but legislation and appropriations authorities control how it can (or cannot) be delivered (Kettl, 1992). This mismatch of views creates a very different reality for practitioners in the field, imposing the view from the top practices on the aid delivery process meant to resolve the view from the bottom development challenges. There needs to be a middle ground where the U.S. comes out of industrial-age into knowledge-age practices and partners come out of dependency into partnership.

There is a middle ground to this dichotomous condition that incorporates the interests of both views. This mutual ground is defined in the postmodern theories of organizing this work, the knowledge-work of foreign aid. Knowledge-work is not just the opposite of industrialized factory work; rather, it encompasses the whole range of social interactions among people in sharing their (tacit) knowledge to make meaning (i.e., make new knowledge) about the work they are doing together toward a common end (Wenger, 1991). In Mark Addleson’s book *Beyond Management*, he describes knowledge-work as

the human and social organizing process that takes place in “the spaces in-between”(Addleson, 2011), referring to the network of connections among people and not at the nodes, or the boxes on a typical flow chart. This knowledge-work draws on the knowledge, skills and abilities of aid practitioners, from both donor and partner, in a community who cocreate a common mission that addresses the dichotomous and mutual interests from a perspective this research refers to as a “view from the side,” giving locality to the community. Addleson (2011) refers to this as a “view from practice,” which refers to the concurrence of organizing and working that includes all facets of a person’s knowledge-work; their thinking and feeling, conversations with colleagues or clients regarding plans, goals, resources, all the things that happen in the “whitespace” between blocks on an organizational chart. The usage of this concept in this research refers to the same concurrence of activities in the whitespace with a key distinction: that the community of practitioners is from different sovereign nations having different external influences. In other words, there is more than just one view from the top, representing the different governments (i.e., U.S., partner, other donors) or governance structures (i.e. multilateral organizations, nongovernmental organizations, etc.), views which make up the context of the negotiations of socially constructed aid interventions.

Measuring Aid Effectiveness

Aid effectiveness has been analyzed (though not effectively measured) in three ways. The first two are measurement via the country/regional model of growth and measurement in terms of volumes of aid in total dollars appropriated and disbursed. Each method aggregates all foreign aid (aid for all purposes) going to a particular country or

region and analyzes the national growth statistics to assess the rate of economic growth, and hence the value or effectiveness of the aid intervention. Despite the various purposes of official aid, as well as varying definitions of official aid in footnote 1, no effort is made to analyze aid appropriations by aid purpose, let alone the impacts of that aid. Also, given the broader definition of foreign aid, which includes private investment and other non-official sources (see footnote 2), there is no official effort¹⁰ to understand the contribution these non-public sources of aid make to the partner growth data. There has been no political demand for this type of analysis, suggesting that development results are no more than a by-product¹¹—a positive consequence, perhaps, but not a necessary outcome for the political objective to expeditiously execute the budget. In general, there are no metrics for assessing the effectiveness of aid against most of the purposes for which aid is granted (including the economic development purpose and its many subcategories).

A third approach to assessing aid effectiveness is meta-analysis, which has been conducted in the older literature in this area; this approach misses the nature of the problems foreign aid is meant to solve or whether it is indeed solving them (Dijkerman, 2006). The academic literature on government performance in general (Penderson, 2002; Radin, 1998; Richardson, 2002; White & Newcomer, 2005; Wilson, 1989) and the performance or effectiveness of foreign aid in particular (Easterly, 2001; Lancaster, 2000; Radalet, 2003; Rodrik, 1999; Sachs, 2005; United States Congress, 1961, 1973, 2003b)

¹⁰ The private sources of aid use their own monitoring and evaluation metrics, which are beyond the scope of this research.

¹¹ This was most evident during the first 35 years of USAID's existence, when their appropriations were annually approved prior to the publication of the required performance reports.

has concentrated on meta-analysis of the published rhetoric on the significant changes in the legislative intent and reorganization of the aid agencies (C. Wolf, Jr., 1988), i.e., studying what agencies do (description of changes in program foci) rather than how they do it (analysis of the incentives to change organizing/delivery practices).

Synopsis of the Study

The study seeks to understand the situated learning that takes place in socially constructed communities and the effect their external influences, organizing forms and ultimately their organizational culture have on their in-field implementing practices—their ability to accomplish their respective foreign aid mandates. This understanding can help address the question of why U.S. foreign aid is still so ineffective.

Since the executive leadership of the U.S. Government is calling for a broader community of experts to achieve transformational development, this research created a theoretical model, developed in Chapter 2, using the broader-communities concept of Wenger's communities of practice coupled with Paris Declaration best practices in aid effectiveness. In this model, the community negotiates policy differences and socially constructs a foreign aid intervention which is then implemented using the Paris Declaration best practices. Communities of practice are groups of people who share a concern or a passion for something they do and learn how to do it better as they interact regularly. These communities are formed by people who engage in a process of collective learning in a shared domain of human endeavor, e.g., a group of engineers working on similar problems or, as applied to this research, a team of multidisciplinary experts working on an international development program for a partner country (Wenger, 2006).

Definitions

Key to understanding the research questions are definitions of the five Paris Declaration categories of best practice. The sources of each of the official definitions below are (Organization for Economic Co-operation and Development, 2008c; Organization for Economic Co-operation and Development & The World Bank, 2005; The World Bank, 2006).

Country ownership is when “partner countries exercise effective leadership over their development policies and strategies and coordinate development actions.” This also refers to the need for a “sense of control over their futures that countries gain [that] translates into effective action toward key national development outcomes.”

Alignment is when “donors [make specific commitments to] base their overall support on partner countries’ national development strategies, institutions” and procedures. These commitments refer to untied aid, the use of a country’s own institutions and systems and the provision of critical capacity building for these country systems—especially public financial management and procurement.

Harmonization and *complementarity* are when “donors’ actions are more harmonized [with each others’], transparent and collectively effective,” referring to a division of labor and burden-sharing among donors, implying a coordination of effort across donors. Key to this principle is that donors incentivize and implement, where feasible, common arrangements at the country level for planning, funding (e.g., joint financial arrangements), disbursement, monitoring, evaluating and reporting to government on donor activities and aid flows.

Managing for development results (MfDR) is “a management strategy focused on development performance and on sustainable improvements in country outcomes.” Critical to this definition is the results-based management philosophy, whose main purpose is to improve capacity-building in the knowledge-work of development and to improve decision-making by using practical tools for strategic planning, risk management, progress monitoring and outcome evaluation.

Mutual accountability implies that both donors and partners are accountable for development results. Specific donor commitments include “timely, transparent and comprehensive information” on aid flows to enable partners to develop comprehensive budgets and to jointly assess progress through country-level mechanisms and systems.

Research Questions

1. How do the USAID, MCC, and PRTs organize their knowledge-work?
2. Are the USAID, MCC, and PRTs using Paris Declaration best practices to achieve more effective aid impacts? If so,
 - a. how do organizing practices of the USAID, MCC and PRTs support or constrain the use of best practices in aid effectiveness as defined by the Paris Declaration?
 - b. how do their implementation practices support/constrain country ownership?
 - c. how do their implementation practices support/constrain alignment with partner priorities and systems?

- d. how do their implementation practices support/constrain harmonization with other donors?
- e. how do their implementation practices support/constrain management for development results?
- f. how do their implementation practices support/constrain the principles of mutual accountability with partners?

Importance of the Study

With regard to foreign aid, for over a decade, the U.S. Congress has not acted upon suggestions for new legislation, and the responses to recommendations for a new organization have been a shifting of boxes on the organizational chart—consistent with the view from the top belief that performance can be controlled by controlling inputs. Considering that the U.S. also continues to hold exceptions to the Paris Declaration, it is appropriate to inquire into the influences on the ineffectiveness of U.S. aid.

This study is important because it acknowledges what is working and sheds light on the determinants of ineffective U.S. aid practices. The research presented here goes beyond political rhetoric into the real world of working in a foreign country, having to work through that sovereign and its local communities to accomplish anything, let alone implement policies of interest to the donor, even when those policies are beneficial to the partner.

Methods Preview

The unit of analysis of this study is the in-Country Team, including both donor and partner members, that serves as the implementing unit of each of the three models defined.

Since the legislation, appropriations authorities and liberties, and purposes vary and compete across models, it is inappropriate to compare the models to each other. Therefore, this study created a theoretical model against which each aid delivery model is assessed individually. This theoretical model draws on the delivery models' respective foreign aid policy mandates already stipulated (the rhetoric) and uses 21st-century theories on organizing principles and implementation best practices that are applicable to the character of current challenges facing the foreign aid community. This theoretical model uses Wenger's communities of practice to frame the unit of analysis as the body that negotiates, reconciles and socially constructs and implements the aid intervention—for whatever purpose. The study then assessed the teams' actual use of Paris Declaration best practices in implementing foreign aid to shed light on their affect on improved performance (intended development impacts).

Participant-observer methods were used to get beyond the rhetoric and begin to understand the gap. The objective was to observe the social construction of implementing practices as they were created and employed in the field. This would characterize what was happening in the “white space” of each of these organizational forms, which allowed the collection of raw data on what helps and what hinders the effective implementation of U.S. foreign aid in a setting where external and official influences are not present.

Application of the literature to foreign aid suggests that regardless of purpose, each model (each U.S. model, donor models, partner models) needs effective knowledge management to create a direct link between learning and performance within the context of multi-disciplinary team (Gergen and Thatchenkery, 2006). The knowledge-work needs to be organized in a way that makes the teams' implementing practices more effective for whatever intervention they have socially constructed. Additionally, given the uniqueness of partner environments and their individual degrees of development (e.g., emerging, fragile, failing or failed), it is appropriate to have different models to address different combinations of development environments. Therefore, the study does not expect the same results from each model; rather, it seeks to understand the organizing practices used to create the unit being analyzed—the in-Country Team. The study observed the relationships, conversations, negotiations, interactions, tools, products, practices and decisions, internal and external, of these teams as they reconciled political objectives to construct a program of development work and implement it as part of their common mission. The community-based model of socially constructed best implementing practices is the postmodern theoretical model against which the observations of each of the three U.S. models already defined are independently compared. The results of these three comparisons will shed light on the differences among them with regard to organizing techniques and the effectiveness of their implementing practices vis-à-vis the theoretical model.

Findings Preview

An overview of the findings reveals that the implementation practices of these aid delivery models are deeply affected by their respective legislation, appropriations liberties and limitations. The evidence reveals that the language of U.S. rhetoric is not reflected by organizational, institutional or operational changes in the way the U.S. delivers foreign aid. Though the U.S. is a signatory to the Paris Declaration (albeit with many exceptions), there is little evidence that these universally agreed-on best practices in aid effectiveness are considered, let alone authorized, by the U.S. government.

A single yet meaningful exception is that MCC is striving to hold its ground against Congressional pressures, insisting on practices designed into the Millennium Challenge Act specifically to address the Millennium Development Goals (MDGs) and Paris Declaration principles. Here too, though, MCC has had to succumb to the power of appropriators as they continue to demand meaningless, arbitrary timelines for budget execution and reporting “successes” on an annual budget cycle despite all evidence and explication that the development timeline is much longer than the budget timeline. Characteristic of insider insight on this external pressure, a senior executive at the MCC proves this political focus on the budget burn rate¹² when he declared “I don’t give a damn about the consultative process; let’s just get this compact signed [and obligate the budget].” The priority given to the political pressure regarding budget burn rate is evidence that it comes at the expense of implementation best practices for more effective development outcomes (Atwood, 2008; Natsios, 2010). These demands have forced MCC

¹² The budget burn rate is the rate (speed and volume) at which the budget is expended.

off task, using valuable and very scarce time to develop means of “feeding the beast,” insiders’ vernacular for finding ways to give Congress the information it demands in order to endure the next appropriations process.

The USAID is doing its best to apply these concepts with the USAID Forward initiative, yet the institutional culture is barely recovering from the congressional cuts that decimated the organization post-Vietnam and its subsumption under the Department of State. In summary, the USAID is forced to work around outdated legislation that even Congress ignores.

MCC, authorized during the era of MDGs, uses significantly updated legislation and appropriations methods that provide some freedom from the Foreign Assistance Act and Federal Acquisition Regulation, allowing it to respond more effectively to current development challenges. MCC incorporates universal best practices, to the extent authorized, albeit within congressional political limits, incenting partners’ proactive policy reforms. The implementing unit is the most proactive form of community organization observed to-date, with mutual mentoring and as many socially constructed practices as are allowable under the political limits of the MCA.

The PRT is an archaic approach to foreign aid delivery that provokes competition amongst public sector actors, significantly increasing taxpayer expense while costing partners sovereignty, development opportunity and any hope of sustainable development. Despite the extensive internal network of communities of practice accessible on the SIPRnet (secret Internet protocol), there was no interest or incentive to use that organizational form within the PRT.

When Congress evaluates program and institutional performance, they do not use development metrics, focusing instead on budgetary indicators such as the rate of budget execution. This research shows that the current benchmark measures are problematic, to the point of being senseless and provides insights into why development objectives (as rhetorical performance measures) are not reached, and indeed why they cannot be reached. The incompleteness of measurement techniques and their focus on aggregate data versus the critical analysis of how we go about delivering aid to achieve meaningful development with partners necessitated this study and its particular research design and focus.

Limitations

The study does not include U.S. funded aid organizations authorized by presidential policy directives, multilateral development agencies, Afghanistan PRTs, or aid for defense or policing, foreign military transition assistance or foreign military sales. The research also excludes humanitarian aid-exclusive models and the Peace Corps. The scope is limited by observing the implementation practices vis-à-vis the five organizing principles of the Paris Declaration within each model.

Organization of the Paper

The study is presented as follows, Chapter 2 constructs the theoretical model, drawing from a review of the appropriate literature. Chapter 3 describes the study's methodology and its limits. Chapter 4 has three sections, each presenting one of the three models of U.S. foreign aid delivery assessed. Chapter 5 discusses the application of Paris

Declaration practices in the course of presenting the findings and conclusions of each case. Chapter 6 concludes with policy implications and suggestions for future research.

CHAPTER 2: MODEL DEVELOPMENT AND REVIEW OF LITERATURE

Despite the wide-ranging political interests that necessitate the broad definition and varied purposes of aid, the ultimate goal of U.S. aid is to assist partners in growing their economies to graduate from aid to trade and become full participants in the global economy (United States Agency for International Development, 2010b). Given that ultimate objective, and the most recent Presidential Policy Directive 6 (PPD6), which acknowledges:

The **effectiveness** [emphasis added] of our development policy will derive in large measure from **how we engage** [emphasis added], from our ability to take into account the complexity [“wickedness”] of development challenges and the changing development landscape, and from our commitment to incorporate development expertise [the development is “co-equal” with diplomacy and defense doctrine, and the broadening of the community of experts engaged in this aspect of our national security interests] and an orientation toward results (The White House, 2010f),

We must accept that foreign aid is ultimately about capacity building for sustainable development. Since capacity building is a learning process, and learning is a social practice, then the effective foreign aid delivery model must be a social one. So, how do we organize for collaboration with partners, especially when we cannot collaborate or

coordinate interagency within the U.S. government? How do we construct learning environments for locally applicable, co-constructed aid interventions to enable partners' most effective outcomes/impacts on their wicked challenges, putting American resources to best use? How do we incentivize and measure the mutual enterprise of implementing aid programs for meaningful development results? When we assess performance, we ask if the United States Agency for International Development (USAID), the Millennium Challenge Corporation (MCC) and the Provincial Reconstruction Teams (PRTs) learned from effective and ineffective interventions. In the ongoing search for meaningful aid results, should we not also be asking if Congress and the national security apparatus are learning organizations, adapting and updating their requirements, expectations and policy direction?

This chapter draws on the literature and stated U.S. policy objectives to define a theoretical model that was created to provide an appropriate means for identifying similarities and dissimilarities among three non-comparable U.S. foreign aid models. The research enquires into how the three primary models, USAID, MCC and the PRTs, organize the knowledge-work of delivering and receiving aid to test the rhetoric and obtain evidence of U.S. commitments to these principles. Observing how we create this broader community, herein referred to interchangeably as the Community or Country Team, and how it engages our partners sheds light on the social construct of the Community and the opportunities for collaboration, knowledge-sharing (learning) and co-constructing the aid intervention. This would provide evidence of country ownership, alignment and mutual accountability identified in the Paris Declaration (PD) as best

practices for aid effectiveness. If the Country Team also includes other donors, the extent to which they are integrated into the conversations, negotiations and practices of the Community to coordinate aspects of the intervention provides an indication of some degree of harmonization as defined by the PD. Observing the Country Team's interactions, internal and external, over time sheds light on the social constructions of these implementing practices necessary to execute the aid intervention in that country and how they are managed to achieve the development objectives. This provides insight into the Community's management for development results practice as defined by the PD.

Framing Relevant Literature

Modernist Literature

Before forging ahead to dynamic new frameworks, we must be grounded in the historical context of modernist theories from which U.S. aid models have evolved. Highlighting these theories has merit in examining the three models, if for no other reason than that they continue to be managed, funded, organized and evaluated from these perspectives, which are embedded in the bureaucratic institutional cultures of the national security apparatus and the legislative bodies controlling aid policy and appropriations.

Organizational Literature

From this broad body of literature we are guided through a Western view¹³ of the idea of organizations stemming from "social units of people structured and managed to

¹³ There are many modernist paradigms studying organizations including: transaction cost economics, resource dependency theory (See Pfeffer, J. and G. R. Salancik, 2003), organizational ecology, new

meet a need or pursue collective goals”(Perrow, 1991), such as the communities of pre-wage-dependent societies to an (almost) opposite, modernist approach to the division of wage-dependent labor according to different philosophies. Appropriate for this research are Taylor's (1911) scientific management view of rationalizing the individual worker which was aimed at maximizing output with minimum inputs as controlled by a view from the top formal management structure with a specificity of goals (maximizing profits). Weber (1922) had an ideal view of bureaucracy based on hierarchical management and the use of internalized (learned) doctrine to govern accountability, responsibility, control and consistency aimed at ensuring an impartial and equal merit system.

Given that the three models in this research have their bases in modernist conception of the division of labor, the focus of their attention is on the efficient use of U.S. resources in an economic maximizing effort to aid pre-wage dependent communities with their modernization (Giddens, 1991a, 1991b; Schiller, 1976). Without some form of translation, there is an inherent disconnect in this view from the top approach to aiding view from the bottom societies. The literature that begins to bridge these dichotomous positions, draws on the structure of the “knowledge system,” specifically, the forms for social learning and knowledge sharing; the manner in which U.S. foreign aid delivery models organize to steward the delivery of the tacit, dynamic and the socially distributed

institutional theory, agency theory all of which reflect a corporate-dominant view on increasing concentration, diversification and bureaucratization that are no longer particularly useful (Haunschild & Chandler, 2008) especially given the shifts in organizational boundaries through alliances and networks (See Davis and Marquis, 2005 :332; Daft and Lewin, 1990) that makes them less useful in the context of this study.

nature of knowledge through the requisite human interaction with “prized knowledge resources”(Wenger, McDermott, & Snyder, 2002). These prized knowledge resources—subject matter experts—make up the body of intellectual capital that are the critical assets within foreign aid implementation systems. They include local and expatriate experts with knowledge of the development requirements and challenges, a situational awareness of the environment in which the aid is to be delivered, the tools available for delivering U.S. foreign aid, and the best practices in delivering aid in specific fields and/or industries to negotiate an appropriate aid intervention to obtain the mutually desired outcomes.

Institutional Literature

From the institutional literature we are guided to understand the tendency toward homogeneity of institutional structures either by legislative mandate, mimetic behaviors copying successful practices or normative pressures from other organizations in the same field (DiMaggio & Powell, 1983; W. R. Scott, 2001), particularly those subject to the same administrative and legislative pressures, much like the organizational forms being analyzed in this research. There is a marked tendency toward institutional isomorphism when organizations exist under a high degree of uncertainty or ambiguous goals yet are highly dependent on the institutional environment for their legitimacy. Meyer and Rowan argue that these adoption theories are “institutional myths” accepted only ceremoniously in order to gain or maintain legitimacy with the institutional environment upon which the organizations are dependent. The mechanism for adoption is to prominently display the language or the “vocabularies of structure” prevalent in their environment to obtain the

“trappings of legitimacy” and help preserve an aura of organizational action based on “good faith,” all of which has a negative effect on organizational performance. To minimize this negative effect, organizations “ceremonialize” evaluation and neglect real reform maintaining internal confidence in existing formal structures (Meyer & Rowan, 1977).

Given the three models in this research operate in the same policy environment, albeit with different legislative mandates and appropriations limitations and liberties, the institutional literature would suggest that there should be isomorphic tendencies due to the high level of ambiguity and heavy reliance upon the foreign policy environment within which they are competing for appropriations and legitimacy. However, since the bureaucratic institutional cultures of the national security apparatus and the legislature receive results reporting from three different models, there could be the appearance of institutional reform in those organizations whose models are evaluated poorly (such as USAID) or in those organizations (such as the U.S. military) with a very high level of legitimacy (with ensured survival), undermining the need for real reform (Suchman, 1995).

Learning Literature

Learning theories seek to explain the shaping of organizations through their interaction with and influence from their social and cultural forces (Huber, 1991; Levitt & March, 1988). Argyris and Schon (1978) say that organizational learning is a product of organizational inquiry resulting from actual outcomes differing from expected ones. It is in the process of the inquiry that the individual(s) will interact with others, and learning

will take place as a direct “product” of this interaction. Their approach to this theory is based on an understanding of two contradictory actions: (1) “espoused theory,” the formal job descriptions and modes of interacting, and (2) “theory-in-use,” which represents the way things are actually done. For example, MCC had formal rules for engaging with potential partners on the content of their proposals; if asked for a recommendation or opinion on the method of fiscal accountability of U.S. aid resources, the only appropriate response was to inform them that their recommendation would be taken into consideration.¹⁴ Any other response would be a perceived violation of the country ownership principles espoused by the Millennium Challenge Act. The actual response was to provide the partner with samples of already accepted content, from other proposals, as an example of what would be acceptable. Argrys and Schon detail three levels of learning; single-loop, double-loop and deuterio-learning, which are defined as a simple change in strategy to correct an error, a type of learning that changes the values and assumptions upon which theory-in-use is based, and learning how to learn, respectively. These distinctions will prove useful in the analysis of Country Team’s undertakings as well as cross-model comparisons.

The process of institution-level learning as defined by Haunschild and Chandler (2008) is the process that occurs when institutions change due to some learning experience. For example, the findings in this research suggest that USAID has learned new, more effective practices from its interactions with MCC (and the influence of MCC

¹⁴ In this case the expected outcome, a request for a third-party fiscal agent, differed from the actual outcome which was the partners requested use of their own national financial systems - an exception the U.S. continues to have as a signatory to the Paris Declaration.

personnel transferring to work at USAID) that resulted in the creation of a new program design, within its legislative limits, that incented and yielded policy and practice reform in partner countries prior to expending any U.S. funding—a characteristic of the MCC model that was unique before now. There are three possible sources of behavior: first, an institution may evolve deliberately over time, adapting to field-level changes in experience that affect values, beliefs and attitudes (such as responding to specific development challenges that occur on multiple fronts, necessitating an adaptation); second, an institution might be affected by a specific change agent that learned from its own experience or the experiences of others and initiated change (such as the USAID “learning” from MCC—the change agent—evidence-based impact evaluations that initiated a change in USAID evaluation policy and metrics); and third, an institution might undergo unintended change as a result of bounded rational action¹⁵ (Simon, 1982), satisficing, imperfect imitation or ordinary routines that led to unintended outcomes (such as Department of State (DOS)/USAID’s response to MCC’s entry into the field of foreign aid by applying MCC/PD language and taxonomies to claims of a new foreign aid framework of objectives, reforms and reorganization as a form of taking on the “trappings of legitimacy” as described above).¹⁶ These responses build on existing literature within both institutional theory and concepts already encased in learning theories, such as mimetic learning and consciously or unconsciously learning from the

¹⁵ Bounded rationality according to Simon says there are cognitive limits to the ability of people to pursue wholly rational purposeful behavior. Rather than seek the optimal solution, actors satisfice; that is, they accept a solution which is ‘good enough’, within a so-called zone of indifference. Herbert A. Simon, *Models of Bounded Rationality*, 1982).

¹⁶ See (U. S. Department of State, 2007a).

routines, actions and outcomes of others (Miner & Mezias, 1996). This theory is nearly identical to the concept of mimetic isomorphism (DiMaggio & Powell, 1983), and both concepts are measured in the same fashion as the prevalence of adoption by other firms in a given field (Greve, 1998; Haunschild & Miner, 1997). Institution-level learning includes the findings of learning theories such as inferential learning (Miner & Haunschild, 1995), which implies that firms facing strong institutional pressure learn from the successes and failures of early adopters to design an appropriate response that allows them to minimize adverse impacts and maximize the effectiveness of their response by adopting later in the diffusion curve rather than being fated to accept the emergence of unintended consequences of reactive changes to everyday routine actions. The USAID Forward initiative can be viewed as just this type of response, wherein USAID is avoiding more congressionally mandated changes and has initiated their appropriate response to MCC's successful performance in achieving development impacts on its aid appropriations. This modernist theory treats institution-level learning as if USAID, MCC, PRTs are beings, entities with the ability to learn, rather than recognizing the learning that actually takes place amongst the individuals that implement institutional policy and practice. The literature that begins to bridge the shift from institution-level learning to social learning and knowledge sharing draws on the structure of the "knowledge system" introduced earlier.

For example, when MCC was created, it had a budget of a billion dollars and one year to put a new model of aid delivery into practice. This was accomplished by borrowing procedures and methods from established organizations in the field, such as

USAID and the World Bank, which an institutional theorist might argue was to be conforming with the existing practices to achieve social and political legitimacy.

However, the long history of organizational failures of existing models was the source of social and political impetus to create a wholly new agency. MCC has since established its own procedures and methods, different from those initially borrowed, and having done so represents an alternative theory of the changes in practice and organization that have taken place at MCC. This alternative is that MCC learned from the (negative) experience of other firms and adapted its own (different) behavior to maximize its freedom from some of the limitations of the Foreign Assistance Act, which is the basis for the USAID procedures initially borrowed. The introduction of a new organization, MCC, afforded the opportunity to “cherry pick” the most appropriate policies and practices to suit the local situation and objectives while still conforming to institutional norms that dictate some form of response (Briggs, 2012; Danilovich, 2005; Dyck, 2005; McLean, 2007; Nummy, 2005). This notion of decision making based on learning is not theoretically integrated with the institutional literature. Institutional literature would suggest that MCC is responding to societal pressure and legitimacy threats, yet MCC could instead, or also, be learning from the prior experience of other organizations and adopting policies for anticipated effectiveness benefits.

Another example has USAID and PRTs making heavy use of IDIQ (indefinite delivery, indefinite quantity)¹⁷ contracts (Natsios, 2010) for procuring services from

¹⁷ IDIQs (Indefinite Delivery, Indefinite Quantity) are the primary contracting mechanism USAID uses to short-list approved contractors for as yet undetermined programs of work that will be defined later, once

third-party implementing partners. This mechanism allows these organizations to comply with the Federal Acquisition Regulation for fair competition in bidding for government contracts, but to do so in advance for the IDIQ to be defined later as needs arise. This is fundamentally necessary, especially for models that have a “buy American” stipulation in their institutional arrangements mandated by Congress. However, MCC does not have this institutional mandate; rather, key to MCCs model is the free and open competition for government contracts as managed (owned and accountable) by the aid recipient country. This allows local firms to benefit from U.S. foreign aid funding but also opens the opportunity to the best-qualified provider, regardless of nationality. Since MCC borrowed the IDIQ institutional arrangements to expedite its operations in the early years, it would have been very easy—and conforming—for MCC to justify its continued use both internally and by the recipient country. However, MCC instituted practices that were different, and supportive of their partner country ownership model, such that IDIQs are very few and employed only in the pre-compact phase. It is suggested that MCC learned from the other organizations’ experience with IDIQ contracts and their contribution to program failure in the long run and specifically sought to exploit their institutional freedom from “buy American” to support partner effectiveness gains in their programs by using IDIQs only where necessary, in the short-term, to obtain the necessary information for their due-diligence process in support of a different program design (Briggs, 2012; Nummy, 2006).

contract awards have been made and implementing partners define their scope of work from the field. For detailed explication of this mechanism, see Scappini, K. (2004).

Critiquing Modernist Theory

Modernist theory begins to disconnect from evolving real world aid challenges; Ferguson (1990) put it most critically with “the term 'planned intervention' is part of a broad concept of modernity and modernization. It seeks to analyze the premises on which the notion of external, planned intervention is based, when such interventions, often projects, are confronted with local contexts, with all their ambiguity and fluidity. This meeting at the ‘development interface’ gives rise to particular outcomes, ... but often resulting in more unexpected and unintended consequences” (Henrik Secher Marcussen & Bergendorff, 2004). The modernist notion of the transformation process from less-developed to modern society “builds on a combination of normative theory and positivism, and has inherited the technocratic thinking according to which technical solutions to identifiable [tame] problems are available, ... and the application of these techniques can basically remedy situations of ‘underdevelopment,’ poverty, social misery, environmental degradation, etc.” This reflects the superiority of planning associated with objective “scientific” laws to “assist” development (ibid). With aid to Lesotho as the basis, Crush (1995) identifies important view from the top disconnects inherent in the modernist rational conviction that development can be predicted, managed and controlled while promising an inevitably improved future. The mechanism for this is the technocratic language used in disqualifying prior development periods, while projecting “as-yet-unrealized states” of achievement based on current “models, forecasts, projections—that laud the idea of an unmade future which can be manipulated with the right mix of inputs and indicators to preordained ends.” This distances the current aid

paradigm from the social and historical context, which is seen only as a source of the current miseries.

Postmodern Literature

These current miseries have evolved since the first aid model after World War II. The technical solutions of early modalities have been outdated by the evolving wicked sociopolitical and cultural problems that constitute aid development challenges we now face. This research suggests a collaborative, postmodern approach as a way of addressing wicked problems. Postmodern theories of organization diverge from the predominantly modernist practices today on three issues. The concept of rationality is shifted (1) from the individual and objectively rational man that judges the value of a truth according to his scientific rhetorical framework to a communally-negotiated rationality with a pluralistic understanding of organization, providing a neutral assessment of knowledge(s); (2) empirical methods yielding objectified value-laden “truths” are replaced with social constructions of multiple meanings representing a broader set of cultural processes and possibilities, including the empirical methods; and (3) research techniques seek to give voice to the marginalized, misunderstood and de-privileged instead of documenting how these voices are silenced. The use of language is shifted from a commanding cultural monologue discrediting nonscientific laypeople to a socio-practical function that acquires meaning in the linguistic exchange of dialogue among the diversity of stakeholders, especially, the “quiet ones” (Addleson, 2011; Davidson, 2011; Gergen & Thatchenkery, 2006). Postmodern organization science is a generative source

of meaning in socio-cultural life that goes beyond static reporting of “what is” to describing “what might become” of our mutual enterprise (ibid).

The social practices that make up how we get things done in our mutual enterprise are based on how people, not organizations, interact and work together. There are three dimensions to organizational effectiveness: hierarchy, process and the social dimension (Harvard Business Review, 2011). Hierarchy addresses the modern problem of structured social interactions with a view from the top. Process addresses the end-to-end nature of structured business processes like those on a technical process flow diagram or Gantt chart. The social dimension is what happens in the “white space” of these formal charts and diagrams; it is what happens when people cross formal boundaries and engage, contributing much more than their job descriptions or management-led activities (ibid). Innovative organizations that have tapped into the creativity of mass collaboration do so by paying attention to and prioritizing this social dimension, including employees, customers, all stakeholders. By emphasizing a view from practice perspective with emergent social structures, the prized knowledge resources (people) align to make meaning of their joint enterprise and innovate solutions. When priority is given to making time for people to have sustained interaction, the conversations that come about get beyond hierarchical management-speak to develop a shared repertoire of resources, experience, stories, tools and ways of addressing problems—they create a shared practice (Addleson, 2011; Wenger, 2006). This is knowledge-work: the co-occurrence of working out the issues and organizing work to “originate possibilities for action that reflect the unique circumstances (e.g. the time, place, situation, attitudes, and perspectives) of their

coming together” (Addleson, Brumburgh, & Chawla, 2006). Colocation is not a requirement; collaboration is.

The practice of knowledge sharing is engaging in the mutual process of cocreating meaning, “making meaning with a view to doing something,” through human contacts and exchanges (ibid). From the foreign aid perspective, it is sharing aid knowledge, skills and abilities (KSAs) in a process of (re)negotiating their meaning to an understanding that forwards the mutual task of cocreating a shared enterprise (cocreating a U.S.-funded aid intervention and then implementing it to address partners’ development challenges).

Framing the Theoretical Model

The problem of aid effectiveness has two sides; the one that receives the most attention is the U.S.’ capacity to organize to deliver aid, but the second is equally, if not more, important—the partners’ capacity to organize to receive aid. The theoretical model was developed to bridge this divide and create the middle ground, where the U.S. comes out of industrial-age into knowledge-age practices and partners come out of dependency into partnership.

To reconstruct the U.S. aid framework, the research suggests a shift in attention to organizing the knowledge-work of aid to a postmodern model that captures the social character of co-constructing aid interventions. This would involve shifting the focus from results to learning (capacity building), from a view from the top didactic pedagogy of delivering (teaching) concepts to an aid recipient view from the side cocreation of implementing practices derived from the learning process in dialogue, negotiation, and practice (as in mentorship or apprenticeship). This co-construction provides for the

listening to the “quiet voices,” the outliers of current day aid paradigms who have the most innovative and most important contribution to make (Davidson, 2011) by telling the stories that connect us, situate the expertise, with our “work and everything involved in doing it, not just “results” (Addleson, 2011); but this research suggests, the local determinants of the poverty and development issues aid is meant to address.

Stories are vital for the non-linear shift that transforms individual learning to organizational learning. The U.S. Army Center for Lessons Learned is an organization committed to capturing the lessons from the field of operations. However, Levitt and March (1996) caution that the codifying process removes the event, the situated activity, from the analysis that makes up the lesson. They suggest that the history, what Fukuyama (2006) calls “institutional memory,” is what supports learned decision-making (Levitt & March, 1996). Bushe (2001) adds support by recognizing that everyone makes their own experience, making collective learning much more difficult and time consuming than simply discussing what happened in the past to decide what to do in the future. The sense-making process of codifying lessons learned loses the community dialogue, the “organizational learning conversation” wherein people discover their own experience in relation to that of others, which provides the impetus to revise personal patterns of organizing in positive ways (Bushe, 2001). This locality, this situatedness, is the bridge between two views of learning, one that sees cognitive process (learning) as the primary function and the other that holds social practice as the primary generative function of which learning is a part (Wenger and Lave, 1991). Sharing knowledge suggests that it

needs to be accessible; this situatedness in the stories, artifacts and products of the CoP is what makes it so.

Why Communities of Practice (CoPs)?

Communities of practice represents a new organizational form for organizing aid knowledge-work to provide the context for creating new knowledge—local knowledge that is cocreated, not just colocated. This research considers useful the approach to learning supported by the community of practice literature that provides the space for the “organizational learning conversation” (Bushe, 2001) in a situated learning environment. Legitimate peripheral participation is the descriptor used to characterize the “engagement in social practice that entails learning as an integral constituent (Lave and Wenger, 1991).” The characterization of legitimate peripheral participation describes the same principles of engagement as defined by the intentions and objectives of the Paris Declaration of universally accepted practices in aid effectiveness. The two are aiming for the same legitimacy, locality, and participation. Legitimate peripheral participation distinguishes between three contrasting pairs: legitimacy versus illegitimacy, peripheral participation versus full participation, and participation versus nonparticipation, which creates the contours of the community.

Legitimacy addresses the issue of belonging which has implications for one’s ability to participate in the community and its activities, negotiations and constructs. In terms of the Paris Declaration, the legitimacy of partners is a recognition of their sovereignty, national interests, and leadership role in managing their own development. This translates into the five PD principles: country ownership (of their development

priorities), alignment (with their development needs and objectives), harmonization (to minimize the transaction costs of receiving aid from multiple donors), managing for development results (aimed at creating locally sustainable solutions) and mutual accountability (recognizing them as coequal in the common mission). Lave and Wenger (1991) suggest that there really is no such thing as “ill-legitimate participation,” yet if one’s legitimacy is in question or not recognized, one can be marginalized by the community which limits access to learning, resources and contributing to the mutual goal. The foreign aid implications are no less impactful than the Third World New Economic Order¹⁸ of the 1970s, wherein lesser-developed countries were demanding a seat at the global economic table. En masse, they collaborated in the United Nations, where one country has one vote, and while they succeeded in shifting the conversation to their trade-versus-aid agenda, the developed world exercised their power by decreasing or withholding aid contributions until there was nothing left to discuss. Unlike this movement, the proposed foreign aid CoP is not forcing a change in agenda but rather negotiating a new legitimacy for their agenda items, namely, country ownership, alignment and mutual accountability, as defined in Chapter 1.

Peripherality addresses where one is located within the community and has implications for the centrality of one’s location (representing power) and how one’s participation changes as one’s location changes. All organizations have locality; in the

¹⁸The New International Economic Order (NIEO) was a set of proposals put forward during the 1970s by some developing countries through the United Nations Conference on Trade and Development to promote their interests by improving their terms of trade, increasing development assistance, developed-country tariff reductions, and other means. It was meant to be a revision of the international economic system in favor of Third World countries, replacing the Bretton Woods system, which had benefited the leading states that had created it—especially the United States.

view from the top organization, the power center, the “core,” is at the top, while in this view from the side organization, the core is a fluid concept depending on what is being addressed at the time and who has the expertise, stories, artifacts, etc., to influence the conversation. The literature raises the issues of the relationship between master and apprentice, wherein the CoP is the location of the learning. Apprentices learn not only by watching or mimicking but also by learning the language of the community so as to enable their increasing participation; the learning takes place in the facilitating of negotiations (ibid). As an apprentice advances in expertise (in the craft and in the language of the community), her locality changes from peripheral participation toward full participation along with her access to more learning, resources and influence. The acknowledgement that comes from this increased participation serves as motivation and a source of identity that cultivates a sense of ownership of and commitment to the community’s common mission. While the traditional view is that apprentice learns from the master, it is also true that the master learns from the apprentice; consider any parent with a child highly skilled in video games! This applies to the theoretical model in the sense that while the partners are “apprentices” in international best practices (for example, of accounting or urban planning), they are also masters of their own development environment. They have the keys to understanding the local culture, values, norms, practices and connections, and thus they serve as teachers to the expatriate members of the community whose locality also changes, granting, for example, access to higher-level officials and insider information.

Participation addresses the legitimacy of one's belonging and has implications of power and control over access (to information, dialogue, resources and the community) and influence. A key concept is transparency, defined as the "cultural organization of access," which points to the interplay of conflict and synergy in all aspects of learning in practice (ibid). Lave and Wenger use a window as the analogy, in as much as it is both visible and invisible, representing conflicting characteristics. This is used to support the argument that the "mediating technologies," the forms of interchange, need to be invisible so as not to obstruct the view of the subject matter. In the theoretical model, we use the analogy of a screen, which is also both visible and invisible—it is invisible until something lands on the screen to make you notice it, and then it becomes obvious, even central. This illustrates the challenge of balancing conflict and synergy in the community. This is not just a nice, comparative analogy; rather, this analogy of the screen—specifically the screens on a French door—is used to characterize what the theoretical model aims to accomplish. The screens on both sides of the French door are retracted, leaving a clear, open view from the middle, which is the way this research has intended to focus attention.

Innovating community structures to implement collaborative processes of engagement avoids reversion to hierarchical cooperative "groupthink" framed by a division of labor addressing pieces of the problem instead of mutually engaging in conversations to innovate and resolve problems together (Addleson et al.; Dillenbourg, Baker, Blaye, & O'Malley, 1995). But is this where we have placed our attention? Is our attention focused on the development outcomes we seek, such as the eradication of

malaria or HIV/AIDS? Or do we continue to place our attention on the internal and political maneuverings we need to survive the U.S. appropriations process?

So, how do we organize for collaboration with partners and construct learning environments for locally applicable, co-constructed aid interventions to enable partners' most effective outcomes/impacts on their wicked challenges putting American resources to best use. In President Obama's 2011 budget request, he declared the need to "...strengthen problem-solving networks. The Federal Government will tap into and encourage practitioner communities, inside and outside Government, to work together to improve outcomes and performance management practices." Taking this statement, coupled with U.S. foreign aid principles upheld at the 4th High Level Forum on Aid Effectiveness at Busan (2011), i.e., partnership, local ownership and accountability, and the National Security Council's calls for integrated, interagency, "whole-of-government" approaches to delivering transformational foreign aid, the community of practice (CoP) (Wenger, 1998) literature is used to capture this broader community concept in creating an appropriate theoretical model (Organization of Economic Development, 2011).

Components of a Community of Practice

Constellations. Wenger's usage of "constellation of practice" (COP) is quite helpful in depicting the characteristics and conditions of the broader external environment, of the host of government aid organizations, plus implementing partners, think tanks, academicians, special interest groups, and other donors, and the partner community, all of which bring influence to bear on U.S. foreign aid policy (Wenger, 2002).

Domain. The domain creates the common ground and a sense of common identity critical to the essence of belonging and the “ownership” required for effective foreign aid delivery as defined in the PD. A well-defined domain legitimizes the community by affirming its purpose and value to the members and other aid stakeholders. It is the inspiring force that motivates membership and active participation and gives meaning to their contributions and collective actions. Clearly defined boundaries facilitate choices on what to share and how to incorporate individual knowledge into the community domain to facilitate the creation of new knowledge appropriate for this community.

From the foreign aid perspective, situational awareness is what defines the domain of the combined (foreign and local) resources that creates the common ground among participants and aid stakeholders while guiding the mutual learning process with a fundamental sense of belonging. Knowing the boundaries of the domain enables participation by defining the scope of ideas to share and activities to pursue. The boundaries frame the common knowledge that creates a sense of common identity to those engaged in the development program from all sides and at all levels (Wenger et al., 2002). This aspect is important when one considers the value-added nature of bounded capacity building from delimited project-based approaches to foreign aid. The common knowledge is what gives local legitimacy by affirming the purpose of the aid and U.S. justification to fund the program for its value. It is the topic on which the community focuses.

Community. The community is the social fabric of learning discussed at length above. A strong community fosters interactions and relationships based on mutual respect

and trust. This encourages a willingness to share, expose one's inexperience, ask difficult questions and engage in active listening, which creates an intimate atmosphere open to inquiry, cooperation and fostering collaboration. Community is a vital element of the model because learning is a function of belonging as well as an intellectual enterprise, involving both the heart and head (Addleson, 2011; Wenger, 1998).

From the foreign aid perspective, the community includes the academics, accountants, administrators, agriculturists, appropriators, conflict resolution specialists, development practitioners, diplomats, economists, elections experts, energy, engineers, finance and governance advisors, judges, lawyers, nurses, police, policy makers, urban planners, security specialists, statisticians, and women's issues experts to name just a few. Wenger further organizes the cast of players into a core and periphery for locality and issues of access, power and legitimacy. For purposes of this research, the core is the unit of measure, the Country Team.

Practice. The practice is a set of frameworks, ideas, tools, information, expertise, styles, language, stories and documentation and ways of doing things [the 'practice'] that community members share and/or create. Whereas "domain" denotes the topic of the community's focuses, the practice is the specific knowledge-work of the community. As the community matures, members expect each other to have mastered the basic knowledge of the community and resources as a means of enabling efficiency in dealing with the issues of their domain.

From the foreign aid perspective, aid delivery practices and tools are the elements of the practice; the specific knowledge, skills and abilities (KSAs) that the community of

practitioners share, create and maintain. They represent the framework within which the community originates activities. This includes ideas, documents, stories and tools that the community share and use to fulfill their purpose. The basic knowledge gained in early development projects provides the foundation upon which future donors' programs can and do build. When these three elements function well together, the community of practice becomes an ideal knowledge structure—a social structure that can assume responsibility for developing and sharing knowledge (Suchman, 1995; Wenger et al., 2002).

In sum, the CoP theoretical model is a postmodern social theory of learning and organizing that broadly includes in the community the expertise necessary for the knowledge-work of originating possible combinations of resources with an aim of resolving the unique challenges the community faces. Introducing the CoP model in this research identifies the key questions for U.S. policymakers: how is the U.S. organizing the sharing of vital aid KSAs (knowledge) with U.S. funded partners, and how closely is this aligned with the postmodern best practices in organizing knowledge management? Additionally, how effectively are U.S. aid delivery models implementing best practices in aid effectiveness as universally recognized by the PD? It is necessary to ask both questions when issues of aid effectiveness are being addressed, because knowledge-work is both the organizing and the work (implementing practices).

Understanding the manner in which each U.S. aid delivery model organizes the use of prized knowledge resources to effect U.S. foreign policy is pivotal to understanding the successes and failures of the different models. Each of the three models

examined herein obtained and organized its knowledge resources differently over the course of designing, delivering and implementing their foreign aid programs, with varying effects on their respective communities and their delivery performance. The research case studies reveal and explicate the differences in practice and performance, real, perceived, and reported.

Why the Paris Declaration?

Since the 1960s, the U.S. has struggled to find effective tools for the delivery of foreign aid to achieve its foreign policy goals (and now, its national security goals). While cross-border conferences and high-level forums discuss the tools and practices of other countries, and their relative outcomes, the U.S. government (USG) has always sought a leadership role and preeminence in setting strategy and budgets. This has precipitated a “go-it-alone” approach to U.S. foreign policy that has worn thin our welcome and our leadership with allies and partners. The most prominent recent example is in Afghanistan, where the USG [via the Department of Defense (DOD)] estimated U.S. and foreign troop requirements; local military and police training targets; armaments, supplies and sustenance for U.S., foreign and local troops; the civilian “surge” levels; and the annual maintenance budgets for all of this. These estimates were made without consulting NATO or other allied governments (or their militaries), who independently proffered their own estimates and rationales. The USG prevailed in its leadership role in setting strategy and budgets, including all estimates. But the DOD estimates have all proved wrong. The USG, facing strong sociopolitical pressure to address budget constraints, subsequently re-estimated and realized the inaccuracy of the DOD’s overestimations. It

became clear that the allies had been right all along. Now that the USG is attempting to realign its strategy, it is urging allies to “pick up the slack and pony up the funds to carry what we want to offload in Afghanistan and they’re telling us to ‘go to hell.’”¹⁹ This is an example of the cost of the go-it-alone, view from the top strategy, consistent with historical U.S. aid failures.

The best practices that make up the Paris Declaration (PD) principles represent precisely that which the USG claims to have been seeking for 50 years. Given the decades-long criticisms of U.S. foreign aid policy—that it is overly broad; a tool of “higher order” national policy; overly restricted with earmarks, controls and too little/too much oversight; not meeting the development needs of the poor; insufficiently funded; and fraught with waste and abuse (Haunschild & Rhee, 2004)—the PD provides a model of best practices that addresses/improves on each of these failures in a way that could be accomplished within the U.S. sociopolitical context, while also addressing the unique contexts of the partners we aim to assist.

The Organization for Economic Co-operation and Development (OECD) foreign aid working group, called the Development Assistance Committee (DAC), organized communities to study, test, measure and report on best practices in the delivery and receipt of foreign aid for over a decade. The legitimacy of these “best practices” stems from the “innovative learning environments”²⁰ in the dozens of Communities of Practice (CoPs) that developed them. Organized among the membership of OECD, 192 countries have

¹⁹U.S. Army Officer, source protected March, 2010.

²⁰ Innovative Learning Environments is the term used by the OECD to refer to Communities of Practice (and new, as yet undefined approaches to innovative learning). See www.oecd.org/edu/ceri/innovativelearningenvironments.htm.

participated in studying, testing, measuring and reporting on best practices in the delivery and receipt of foreign aid for over a decade. These studies have been conducted within a matrix of CoPs organized regionally and by topic; for example the African CoP on Managing for Development Results (MfDR) is a regional CoP which engages and supports the collective work of the MfDR CoP based within the OECD. With this information in hand, the OECD conducted peer reviews to refine the research into the determinants of effectiveness in foreign aid delivery; inquiring into why and when aid works and what elements contribute to the most effective delivery of development results. This process of inquiry resulted in a body of best practices and principles that can be applied globally, and locally, to make aid work better (Organization for Economic Co-operation and Development, 1998). The Paris Declaration on Aid Effectiveness is comprised of these best practices and principles as universally agreed by 192 signatories, including the United States.

While existing evaluations of donors' institutional capacity to meet PD commitments focus only on the donor institution, this research investigates the application or use of PD principles in the field. It goes beyond the political and policy rhetoric and gets down to the day-to-day processes involved in the delivery of aid to partners in their own environment. The critical distinction regarding the evaluations in this research is that it attempts to evaluate, as a whole unit of analysis, the team of implementers engaging in foreign assistance in any country, rather than looking strictly from the donor country's view from the top domestic perspective (rhetoric) and its self-reported performance with antithetical metrics and anecdotal "success stories."

Support for the Theoretical Model

While the three models have different legislation, they operate within the same constellation of external influences and all claim to face similar challenges in meeting their intended mandates. The inflexible legislation, bounded appropriations authority and onerous oversight serve to control the aid knowledge-work and implementing practices. This research will show how these controlling mechanisms actually prevent implementing agencies from performing their policy mandate, proving the ill-fitted policy perspective and their resultant mismatched practices for the many purposes of U.S. foreign aid since the post-Vietnam era.

Existing foreign aid programs and concepts are largely unsatisfactory...
we then intend during this coming decade of development to achieve a
decisive turn-around in the fate of the less-developed world.

John F. Kennedy, 1961

[Y]et many of the old models of economic development assistance are
outdated. Money that is not accompanied by legal and economic reform
are [sic] oftentimes wasted...

George W. Bush 3/14/2002

Even now Presidential Policy Directive 6 (PPD6), used Paris Declaration
language, without a policy framework for how we will go about meeting those objectives,
as if merely speaking it will call the institutional changes into existence.

The effectiveness of our development policy will derive in large measure from
how we engage, from our ability to take into account the complexity of
development challenges and the changing development landscape, and from our

commitment to incorporate development expertise and an orientation toward results... Barack Obama, 9/22/2010

While the rhetoric of PPD6 aims to please everyone—“without sustainable development, meeting these challenges will prove impossible”—it sustains the fragmentation of U.S. aid delivery by ensuring that each agency’s piece of the appropriations pie continues and USAID’s development mission remains subordinate to the Department of State. By avoiding the institutionalization of effective practices regarding *how* the U.S. foreign aid system engages, PPD6, like its predecessors, bolsters adherence to the paternalistic (some partners would suggest hegemonistic) American view from the top ideology and practices of the U.S. “doing aid to” partners instead of through or with them.

This research suggests that a more effective model, this theoretical blend of Wengers’ situated learning in Communities of Practice (CoP) and Paris Declaration (PD) best practices could reconnect U.S. development aid policy with improved performance by organizing the critical knowledge-work of foreign aid knowledge, skills and abilities (KSAs) according to a postmodern framework. Creating a community of practitioners with a wide range of expertise, from both donor and partner, improves understanding while applying collective experience and expertise to address the unique mix of complex challenges partners face. Doing this knowledge-work in a sociopolitical context that encourages, and even requires, partners’ full participation in cocreating the local content for implementation of country-specific resolutions adds legitimacy to partner governance and its local policies and practices. Upholding local governance, the specific objective of American engagement in Iraq following the national security crises of September 11th,

demands organizing in this way. The case studies that make up this research will exhibit that effective aid has less to do with the institutional efficiencies sought by U.S. legislation and everything to do with the way we organize our knowledge-sharing practices in each Country Team to ensure the next generation of local members to implement it. Local learning (capacity building) is a critical component of sustainability which is the first rung in the ladder of development growth from aid to trade to an independent member of the global society (economy).

Limitations

Relative to this research, the participants in a community of practice (CoP) are voluntary and in the same field of expertise. Wenger's CoPs form the organizing structure for apprentice to expert in a particular field. This is similar to the mentoring in the MCC model wherein the social interaction amongst members provides the learning domain for technical experts to mentor, and learn from, novices of the same knowledge base. For example, U.S. agriculturists bring best practices in farming, seed selection, and harvesting techniques and proffer these as mentors to local farmers needing productivity enhancements. Additionally, local conditions and techniques are used for specific reasons (see the Alleviate Hunger in Africa program in the USAID case study in Chapter 4), which are brought to the attention of technical experts by their local counterparts mentoring them in situational awareness.

Additionally, foreign members are not volunteers but rather are heavily incented with very high rates of pay, beyond what is normal or possible in their partner countries, skewing the personal motivation for "participating" and/or "mentoring." With a financial

incentive, instead of a personal commitment inspired by the sense of belong in a CoP, the motivation to share and build sustainable aid interventions is displaced with implications on program impacts. These differing incentive structures (Wengers' CoP mentors versus foreign aid mentors) dramatically change the purpose and, this research suggests, the contributions of the two groups.

CHAPTER 3: RESEARCH METHODOLOGY

The Research Project

The qualitative research paradigm uses necessarily different methods to capture specific socio-cultural detail instead of statistical findings that are generalized. The method of inquiry used in this study is the ethnographic case study method that uses a theoretical model against which each individual U.S. foreign delivery model is compared. The value of this method according to Yin (1994) is the "empirical inquiry that investigates a contemporary phenomenon within its real-life context." Yin emphasizes the complex nature of empirical observations which yield far more "variables of interest," in this case the social characteristics of effective aid implementing practices, where results rely on triangulating multiple sources of evidence (ibid).

This analysis of U.S. foreign aid models – relative to the Community of Practice (CoP)/Paris Declaration (PD) theoretical model – is aimed at observing the organizing of aid knowledge-work that takes place in “the white space” of the published institutional linear organization and process flow diagrams. The use of participant-observer method is crucial to get past the rhetoric of official documentation, prepared comments and management of public opinion to witness the “how” of foreign aid delivery. The purpose is to explain the causal links in real-life interactions, between policy intentions and foreign aid performance, that are too complex for survey or experimental strategies (ibid).

Case Development

Like the postmodern theories of organization, the case study methodology avoids traditional perceptions of hierarchical arrays and provides the framework especially suitable to this study. Because this research uses observation of current practices to inquire into the "how" of aid implementation and the "why" of aid outcomes, with no control over behavioral events, the case study is a superior strategy over other forms of exploratory, descriptive or explanatory research (ibid). The embedded case studies use an overview of institutional policy and an organizational model - a design of the organization and its practices. This study avoids the major pitfall of the embedded study, solely focusing on subunits, by using a multiple case design that investigates implementing practices of three organizations at multiple levels²¹ policy/legislative, institutional, managerial, in-field and external influences.

To create a rich body of case material the research compiled data and field observations of ongoing foreign aid implementation operations derived from working relationships and/or interviews with partner government officials, ministries and sub ministerial governance institutions, their managerial staff and practitioners; partner employees or contractors of U.S. aid operations in country; interviews with U.S. implementing partners leadership, managerial staff and expatriate personnel forwardly deployed; U.S. government officials and practitioners from the Departments of State, Defense, Treasury, Justice and Agriculture engaged in aid policy, strategy, and all aspects of its implementation; leadership and investigators of numerous U.S. government

²¹ Thompson's levels of organizational stratification from (Thompson, 2006).

oversight agencies; members of relevant committees in the U.S. Congress; and official in-country documentation and reports; agency documentation, reports, public relations materials; oversight reports and interview findings; and historical evidence revealing the complex nature of these organizational forms and the environments in which they operate. Given the very long-term nature of development programs, and the multi-site, multi-case study design of the research, the ethnographies were enhanced by using a "studying through" (Wedel, 2004) technique to observe institutional implementing practices through the different phases to capture the full script of interactions that make up each models' implementation practices. The data, then, is derived from a broader base of former and new field work giving their histories longevity.

For example, research on USAID's implementing practices for programs in Iraq was conducted over a three year period (2007-2009). The study followed the three main IDIQs²² being observed, at different stages of the multiple year programs, linking observations made earlier in the designated period to observations later in the designated period; through official mission documentation, and repeat interviews to bridge the gap in actual observation time frames. The same process was used for observations of Provincial Reconstruction Teams (PRT) and their implementing practices, making repeat observations at existing PRTs as well as new PRTs as they evolved over the same three year period, bridging the observational gap even at different PRT locations. MCC observations were made during the start-up phase of MCC (2004-2006) using the same

²² Recall that IDIQs (Indefinite Delivery, Indefinite Quantity) are the primary contracting mechanism USAID uses to short-list approved contractors for as yet undetermined programs of work that will be defined later, once contract awards have been made and implementing partners define their scope of work from the field. For detailed explication of this mechanism, see Scappini, K. (2004).

studying through approach, completing the "studying through" with repeat interviews and the inclusion of updated documentation during the period 2009-2011. A review of most recent literature on all three models was conducted for the period 2011 to the present.

The data was compiled and coded for its application of CoP characteristics and the U.S. commitments²³ to PD practices of country ownership, alignment, harmonization, managing for development results and mutual accountability. Additional compilations were made as it became evident from the findings that they had meaningful implications for the application of the CoP principles and PD commitments. Examples include such topics as incentives, external influences, and legislative restrictions and/or freedoms. This process of working with the data facilitated the descriptive narratives of findings (presented in chapters four and five) followed by policy implications and recommendations for future research (presented in chapter six).

Mid-Study Adjustments

At the outset of field research, the focus was very practice oriented, that is, the practices were observed from an activities or task perspective and documented in such a way as to map them to Paris Declaration (PD) practice objectives and coding ethnographic field notes relative to the normative PD intentions. However, the social interaction within and amongst teams of practitioners became increasingly significant as observations revealed the social dynamics that were interfering with the intentions of PD principles. The coding then shifted to document observations relative to their application to one or more of the thirteen commitments. This more specific approach to coding

²³ Key aspects of PD practices are specified in the introduction to the case material in chapter four.

enables the calculation of the more characteristic themes, especially regarding the social dynamics of these communities and their interfaces. This mid-study adjustment supports the theoretical model by documenting the social data that supports or constrains cooperative and collaborative working relations, established mostly outside of the employment framework. The more socially integrated foreigners became, over time, with each other and/or partners and partner groups, the more smoothly their professional interactions progressed, leading ultimately to outcomes that were in varying degrees mutually beneficial.

Given these insights gained from the data collected during the case development process, direct case-on-case comparisons were inappropriate. While the initially proposed path analysis was intended to be a framework for comparing the models to each other, early observations showed that the social character of interactions and practices was the only comparable component. While the USAID and the PRT cases are similar in the donor directed nature of their aid interventions, their different appropriations authorities and amounts, as well as the differing degrees of legislative freedom makes the implementing practices of these models incomparable. This has proven not to be the case for the effects of external pressures on all three models.

As a student of foreign cultures for my entire life, and a practitioner in foreign aid for nearly thirty years, this scenario of building familiarity and ultimately some degree of trust as a prerequisite for operating effectively and successfully in a foreign country has been consistently observed and professional experienced. It proved to be true in the course of this research as well, and this caused a shift to an ethnographic focus in this

work. It became necessary to include literature on forms of social organization and how they function toward their mutual objectives. The Communities of Practice literature proved most effectual at naming those organizational elements of community and its operation which complement the foreign aid paradigm, and is therefore included as well.

Systematic Interviews

Since the observed practices proved to be non-linear; rather a complex web of social interactions, the initially proposed path analysis proved far too structured - in the form of Total Quality Management (TQM) and process reengineering (Black, 1998; Crosby, 1979) more suited to a modern industrial model. This ill-fitted strategy was exchanged for a combination of observations coupled with systematic interviews to untangle the web and reveal the nature of linkages with another process or individual (Yin, 1994 p.8) piecing together the components of a practice. If a link of any kind is made or becomes necessary, an opportunity for “community,” alignment, and/or harmonization appears and triggered an interview (or series of interview) to investigate the potential social network that comprise the practice. This resulted in the recording of findings in the form of aidnographies instead of the planned path analysis.

This combined method was used to explore the conversations and relationships that make up the “white spaces” between and among the practices observed in the aidnographies (Stewart & Cash, 2000). These conversations and relationships represent the unseen relational aspect of “how” the work gets done. Surveying these conversations and relationships explains the knowledge-work that takes place as the means to

understanding the (degree of) CoP and the related aid delivery interactions - how these agencies *organize* to get their work done.

These surveys were in the form of (qualitative) ethnographic analysis rather than (quantitative) statistical analysis since the object is to understand the identity, meaning and rationale of the knowledge-work and aid challenge resolution process. A guided, open-ended interview protocol was used to accommodate the culture, position and time of the interviewees aimed at capturing the requisite information, data and insight.

Existing Documentation

Each case was analyzed drawing from existing policy documentation, legislative documentation and oversight reports, legislation, annual reports, annual performance plans and annual performance reports (accountability reports), strategic plans and other documents relevant to the case material and implementation practices. This analysis provided a history of political direction and intervention in the programming and oversight of foreign aid appropriations. Additionally, publicly available information, from all three models, on their mission, policy, implementation practices, evaluations, methods, programs/compacts, performance and culture, both currently and historically was used. Drawing from my own historical case data and extensive experience working with and within all three models provided specific examples and interpretive insight.

Participant Observer Method

Since part of the objective of the study was to get beyond - or perhaps within - the political rhetoric to justify tax expenditures on the aid program "flavor of the month

(USACE),"²⁴ the participant observer method was necessary. The in-field observations of relationships and implementing practices allows the researcher to see the insiders' world of meaning and the natural environment in which the interactions take place prior to political sanitizing for public relations purposes (Jorgensen, 1989). The information and logics revealed when these observations are coupled with the systematic interviews are invaluable to an inductive and interpretive process of recording the interpersonal stories. This type of direct involvement in the moment of daily events provides a point of reference for the research logic as well as a strategy to gain access to phenomena that are commonly obscured from nonparticipants (ibid). Jorgenson summarizes why this method is especially suited for this particular study in that it is "exceptional for studying processes, relationships among people and events, continuities over time, and patterns, as well as the immediate social-cultural contexts" in which human experience happens (p.46). The way this was executed in the field required a guided, yet flexible, non-linear structure to draw out the details that get at the heart of the aidnographies and the practices they describe.

Quality Assurance of the Case Study

1. How do the USAID, MCC, and PRTs organize their knowledge-work?
2. Are the USAID, MCC, and PRTs using Paris Declaration best practices to achieve more effective aid impacts? If so,

²⁴ Quote by a U.S. Army Corps of Engineers officer in reference to the changing U.S. political priorities regarding the types of projects to be funded by the different baskets of U.S. appropriations.

- a. how do organizing practices of the USAID, MCC and PRTs support or constrain the use of best practices in aid effectiveness as defined by the Paris Declaration?
- b. how do their implementation practices support/constrain country ownership?
- c. how do their implementation practices support/constrain alignment with partner priorities and systems?
- d. how do their implementation practices support/constrain harmonization with other donors?
- e. how do their implementation practices support/constrain management for development results?
- f. how do their implementation practices support/constrain the principles of mutual accountability with partners?

Propositions

Given that USAID was created from a combination of agencies established during the prominence of industrial methods and modern theories of organization, it is expected that the USAID model does not support CoP/PD principles and best practice.

Given that MCC was created during the global discourse on Millennium Development Goals consistent with the PD principles, it is expected that the MCC model does support CoP/PD principles and best practice.

Given that the PRT was created as an urgent response to the war efforts on two fronts, without a legislative framework, interagency doctrine, common mission and

training, it is expected that the PRT model does not support CoP/PD principles and best practice.

Unit of Analysis

The core unit of analysis is the team of in-country implementing practitioners - partner and expatriate. The periphery as defined by the CoP literature is considered where it intersects and/or impacts the core Country Team.

Logic Linking Data to Propositions

The pattern-matching method was used to link data to the propositions. Pattern matching involved taking several pieces of information, from different sources, amongst multi-site engagements and triangulating the evidence into discovery logics that describe the relationship or practices being assessed. Understandings of these discovery logics were confirmed with follow-on interviews at the same level from multiple sources and again between levels. Upon confirmation, these logics were matched to theoretical propositions - in this case the PD practices - and the PD stipulated donor commitments of each of the five areas upon which “more effective” aid is measured. These indicators are itemized in the opening of chapter four.

According to Yin's usage, the CoP/PD theoretical framework is the "effects" proposition and each of the individual cases is the "no effects" proposition (Yin, 1994 p.25) that relates the data to the propositions.

Criteria for Interpreting Findings

The patterns in the CoP/PD - USAID comparison, CoP/PD - MCC comparison, and the CoP/PD - PRT comparison are rather extreme contrasts which afford the

interpretation of the findings of opposite propositions (Yin, 1994 p.26). Where a delivery model tended toward the theoretical model and had sufficient evidence to suggest a commitment to PD implementing best practices, the model was found to be in "conditional" support of the PD.

CHAPTER 4: CASE STUDY RESEARCH

As U.S. global interests shifted, during war times and the intermediate years of peace, the organization of U.S. foreign aid delivery was changed to suit the then current conditions. At first glance, these changes appear to be an evolution of ever improving U.S. mechanisms to address the increasing complexity of global challenges. However, that global conditions continue to change and the degree of human suffering goes unabated raises the question: how effective is U.S. aid? Have U.S. aid methods kept pace with the ever changing character of global human suffering or has there been an over reliance on historical methods? Research seeks to understand the effectiveness of aid; has there been an assessment of the determinants of ineffective aid?

The traditional model was designed for the challenges of its day and many say the Agency for International Development (USAID) became the premier development agency in the world; yet Congress seemed to think its role in the Vietnam war was the greatest failure in U.S. modern history and cut USAID funding by more than seventy percent, from which it has not recovered. Is the Provincial Reconstruction Team (PRT) model truly a new model for its era, or is it a revived version of the Civil Operations and Revolutionary Development Support (CORDS) model that contributed to USAID's demise? The Millennium Challenge Corporation claims "challenge is our middle name" implying they are ready for the wicked 21st century: but are they? It is necessary to

examine each of these three prevalent U.S. models of aid delivery because they all have a development mission; and each has political and legislative limitations and liberties that shape the organizations in different ways, yet we have not met the challenge. When it comes to human suffering, good enough is not enough; are any of them effective?

This chapter offers insights into the question of whether each of the three U.S. models of aid delivery examined in this research is implementing—or is able to implement—Paris Declaration (PD) best practices for aid effectiveness, the body of literature universally accepted as a paradigm for improved aid effectiveness. The case studies present research into how the Country Teams, consisting of U.S. aid experts in various fields and their partner counterparts, use these best practices when implementing aid interventions.

Recall that the theoretical model used as the basis of each comparison drew on communities of practice (CoP) organizing principles to observe the social context in which the aid intervention was determined or cocreated in each model. These observations shed light on the extent to which the Paris Declaration on Aid Effectiveness influenced the implementing practices used in the aid intervention. The study sought to understand how the five PD practices were supported or constrained by each model's unique political and legislative limitations or liberties, and to what observable effect.

Each PD practice has a number of donor commitments agreed-on as effective in improving the delivery and receipt of aid. These commitments make up the context of the recommended practice frameworks for implementation and provide a deeper understanding of what is intended to be accomplished in the aid intervention. These

commitments are itemized below as a guide to understanding the context and some of the organization of the material in each case study. While these best practices and their commitments are itemized individually, they are not mutually exclusive; rather, they blend and overlap in unique ways depending on the culture and sociopolitical contexts of each partner and how they relate to U.S. policies and objectives for each partner country. For example, commitments of mutual accountability blend and overlap with the practice of country ownership as defined and intended by the research that supports the Paris Declaration. For example, the commitments on ownership and accountability includes issues of leadership, as a function of domestic accountability, and the ability to direct development, as a function of partners' absorptive capacity, comprising the PD intentions regarding ownership. More specifically, in the area of public financial management, most donor programs include capacity building in accounting, budgeting, procurement, contracting, and project administration as key components of a sustainable intervention. The extent to which partners can absorb this knowledge and engage in a process of adapting local systems represents their absorptive capacity. If they do not understand or have insufficient skilled practitioners, systems or resources, this limits the partners' ability to become increasingly proficient in these international standards and will slow their pace in achieving graduation from aid to trade. The aim of this sequence of gaining proficiency is to increase partner capacity, not only in the prescribed areas of expertise but as a function of domestic (mutual) accountability for the receipt and use of the aid. The aim is to ultimately enable the partner to align their skills, practices and systems with the requirements of international (financial) markets for access to trade and new capital.

In the industry, this learning process is described as the partners' graduation from aid to trade, economic growth and opportunity.

Recall that the PD arose from a study of the effectiveness of delivery and receipt of foreign aid and includes commitments from donors and partners. The research presented here is solely focused on the donor side of the delivery-receipt equation. In practice, that is, in the overlaps and interactions of these five best practices and the many commitments (both donor and partner), there are an infinite number of interactions and overlaps—especially when the unique cultural and sociopolitical contexts of each partner (and donor) country are considered.

In order to craft accurate aidnographies, the presentation of the research for each case study is organized in a three-part framework. The first part provides an historical introduction to the model, including what circumstances led to its formation, and key characteristics of its mission and legislative foundation. The second and third parts highlight implementing practices and the in-country implementation team, respectively, and where appropriate, provide stories that shed light on the use of the five Paris Declaration best practices and the donor commitments that operationalize them in the field. The seventeen donor commitments are organized as follows:

Country Ownership

- Donors strengthen partners' capacity to exercise ownership
- Donors yield to partners' leadership in coordinating their foreign aid
- Donors encourage/require national development strategies

Alignment

- Donors align with partners' policies, objectives and partner strategies
- Donors align with partner country systems, institutions and procedures

- Donors use strengthened country systems, especially public financial management (PFM²⁵)
- Donors align with partners' development time horizons
- Donors align with markets

Harmonization

- Donors implement common arrangements and simplified procedures
- Donors practice complementarity
- Donors incentivize collaborative behavior

Managing for Development Results (MfDR)

- Donors manage for results by linking country programming and resources to results and country performance assessment frameworks
- Donors manage for results by relying on partner countries' results-oriented reporting and monitoring frameworks
- Donors manage for results by harmonizing the monitoring and reporting requirements
- Donors manage for results by working to strengthen country capacities and demand for results-based management

Mutual Accountability

- Donors provide timely, transparent and comprehensive information on aid flows to enable partner authorities to present comprehensive budget reports to their legislatures and citizens
- Donors assess their progress in implementing agreed-on commitments to aid effectiveness

Setting the Successful Standard

The reconstruction of Europe after World War II presented myriad development issues—reconstruction of physical and economic infrastructure, renewal of the transport system, the modernization of industrial and agricultural equipment, the resumption of normal production, the raising of productivity, and the facilitating of intra-European trade (Van der Wee, 1952)—the nature of which was wickedly complex. However, everyone was on the same side, with the same mission. Public and private sector, politicians,

²⁵ Public financial management (PFM) refers to the policies, practices and systems of public accounting, budgeting, payments and procurement.

military and civil society, on both donor and partner sides, had all fought against the Nazi ideology and brutality and were a community, now on another singular mission: (re)building independent, sustainable economies across Europe.

The Marshall Plan's organizing principle was to provide multilateral aid to the community of partners in Europe. Implementation of the plan was delayed until all partners agreed on a community plan for the allocation of U.S. appropriations across country, industry and population, which was essential to prevent cross-country competition for aid allocations from a common pool of resources and prevent waste (of time, limited resources). This successful, time-limited program set a standard that was lost in ensuing years that were not marked by global crises (Behrman, 2008).

By managing relationships in this multilateral way, Marshall enforced an organization of cooperation, collaboration and coordination amongst European nations, aligning their interests and efforts while creating community ownership and accountability necessary for the United States to harmonize its engagement with the region as a whole, building local capacity to maximize development results in a sustainable way. It worked. The results were that by 1952, as the program funding ended, the European gross domestic product (GDP) was 35% greater than pre-war levels, and Europe enjoyed two decades of unprecedented prosperity and growth (ibid). The U.S. appropriated \$13 billion to the Plan, which was implemented in just four years and which forged a regional alliance, pulling Europe out of the ashes of war and making it America's most important, and profitable, trading partner(s) for more than two decades (ibid). While the system created by the Europeans was not an American ideal, it employed

best practices within the context of local cultures that made it work for Europe—and ultimately for the United States—the whole point, the “win-win” solution. The Marshall Plan set a standard which subsequent U.S. models have never been able to match.

The Traditional Model—U.S. Agency for International Development (USAID)

Consistent with institutional theory, public-sector institutions, once established, strive for survival past their originating purpose, by redefining and/or expanding their mission (Jepperson, 1991; Suchman, 1995). With the unifying influence of the war behind us, and a strengthened American resolve to aid the needy, American aid continued, albeit without its common mission, key organizing principles, a community of owners or the complexity of development needs. The four agencies that were established and contributed to the success of the Marshall Plan no longer had a common mission, nor did they have an overarching organizing principle, and they pursued their institutional survival by establishing bilateral relations with countries in need, redefining their mission—and the American foreign aid delivery model—in the process (United States Agency for International Development, 2004d).

For 10 years, this model of increasingly independent agencies designing programs of aid for single countries with diverse needs continued to grow—in number, scope and budgets—without oversight, as coordination amongst U.S. agencies with similar or duplicative programs yielded little in development results yet met the congressional requirement of budget execution (U. S. General Accounting Office, 1996b, 1997). This disorganization of foreign aid continued until there was a new common cause—the Vietnam War. Embroiled in another war within an unfamiliar cultural context, the foreign

aid model designed to address the wicked complexity of the Vietnam War was the Civil Operations and Revolutionary Development Support (CORDS). CORDS pulled together all the various U.S. military and civilian agencies involved in the pacification effort, including the State Department, USAID, United States Information Agency and Central Intelligence Agency, and was the first U.S. attempt at a U.S. interagency organizational form. This model as a whole is addressed more fully in the Provincial Reconstruction Team case study that follows. For purposes of the USAID case study, examined here is the impact this first interagency organization form had on USAID as a foreign aid delivery organization.

The U.S. aid mission in Vietnam was “the other war: The war against hunger, poverty, illiteracy, and disease,”²⁶ but as the war efforts turned against U.S. political objectives, recognizing the failure of the Vietnam era organization of aid,²⁷ in 1961, President John F. Kennedy executed the first reorganization of U.S. foreign aid delivery by merging four disparate, independent agencies into a single agency, the United States Agency for International Development (United States Agency for International Development, 2004d, 2010a). Under the Kennedy Administration, USAID grew to a staff of over 25,000 experts in specialized fields of infrastructure, agriculture, economic development, cross-cultural communications, etc., where USAID staff were in-country designing and implementing aid interventions based on their local interaction and

²⁶ See <http://blog.usaid.gov/2011/10/celebrating-usaid%E2%80%99s-50th-anniversary-the-early-years-of-usaid>.

²⁷ Recall, this was not just an aid mission, the organizational form we are talking about at this point was an inter-agency organization that included the military, CIA and other non-aid oriented U.S. government agencies.

evaluation of local needs. USAID was the implementer of U.S. foreign aid and became the premier aid development agency; however, the effort was too big and too late for Vietnam. USAID felt the brunt of the political fallout of losing the war when shortly after the fall of Saigon in 1975, USAID saw its numbers drastically cut to less than 5000 staff with the commensurate slashing of programmatic budgets and its reputation as the premier aid development agency in the world (Lancaster & Van Dusen, 2005; The HELP Commission, 2007); USAID has never recovered from this congressional judgment day (Atwood, 2008; Natsios, 2010). With this judgment day came a redefinition of USAID, its organization and its practices, with a return to the interwar period of increasingly independent agencies designing programs of aid for implementation wherever they could politically sell them.

This USAID model, as it was created by the Foreign Assistance Act of 1963, was focused on using U.S. appropriations for the provisioning and logistical needs of the Vietnam war effort. Perceived (or rather misperceived) as a technical issue, the new legislation imposed limits on the use of these appropriations, to U.S. goods and services only, for which Congress would receive annual performance reports on how this year's appropriations were used to help solve tame provisioning problems overseas. Annual budget execution sufficed as the metric of successful performance rather than acknowledging the failure to recognize the wicked problems of complex and interrelated cultural and sociopolitical dynamics of the Vietnamese war, which our system of foreign aid delivery was not capable of addressing. With the focus on using U.S. appropriations for U.S. economic special interests, we missed the boat; we missed the changing nature

of societies abroad and the complex mix of knowledge, skills and abilities necessary to understand how to resolve them, let alone attempt to aid in resolving their problems.

Fast-forward fifty years, and politically, we have failed to adopt updated policies, legislation, appropriations practices and foreign aid practices that recognize, and respond to, these wicked problems made even more complex in the ensuing years; rather, we are continuing to use the same legislation, the same perceptions, the same expectations.

“USAID was established to unify assistance efforts, to provide a new focus on the needs of a changing world, and to assist other countries in maintaining their independence and become self-supporting.”²⁸ From as far back as the creation of USAID, the reality of aid efforts has never been able to deliver on the rhetoric:

existing foreign aid programs and concepts are largely unsatisfactory... we intend during this coming decade of development to achieve a decisive turnaround in the fate of the less-developed world, ...

John F. Kennedy, 1961

...yet many of the old models of economic development assistance are outdated.

Money that is not accompanied by legal and economic reform are oftentimes wasted...

George W. Bush 3/14/2002

However, in those ensuing years, USAID has endured significant paradigm shifts as Congress began paring aid policy coherence as the Foreign Assistance Act (FAA) was amended, then ultimately ignored, as Congress uses its power of appropriations and earmarks to change aid policy without accompanying legislative reforms (Rennack,

²⁸ http://www.usaid.gov/about_usaid/usaidthist.html.

2010). This procedure ushered in these congressionally mandated paradigm shifts, which include (1) a shift to contracting out, which stripped USAID of its implementation functions and relegated it to an administrative budget execution function highly dependent upon appeasing Congress and its special interests; (2) the creation of the oversight counter-bureaucracy, ceding congressional review responsibility to additional and duplicative layers of oversight and leaving Congress with a results reporting focus; and (3) the shift from delivering development results to reform rhetoric; the repeated calls for aid reform without changes in the legislative bases that frames institutional practices, or the congressional expectations that mandate them, all of which diminished the capacity and effectiveness of the U.S. delivery models (C. Adelman, Nicholas Eberstadt, et. al.,, 2007; Amawi, 1996; Atwood, 2008; Brainard & Lancaster, 2006; Carpenter & Brandow, 1997; Collier & Dollar, 2002; T. Fox, 2000; Fraenkel, 2004b; General Accounting Office, 1995a, 1996, 1997a; Ingram, 2000; R. W. Johnson, 1998; Lancaster, 2000; Lancaster & Van Dusen, 2005; Murray, 2000; Natsios, 2010; Nyoni, 1998; Scappini, 1995, 2004; The HELP Commission, 2007; U. S. General Accounting Office, 1995a, 1996b, 1997; United States Agency for International Development, 2004d, 2005c, 2007, 2009, 2010a, 2011a; United States Congress, 1961, 1973; Vasquez, 2003).

USAID now serves as the administrative interlocutor between Congressional expectations and legislated limits and programs of work created by private-sector implementing partners now performing USAID's historic role as aid implementers. Because the implementers compete for USAID contracts and have as their fundamental priority their own survival (profitability) (R. Scott, 2003), there is little, if any, incentive

to cooperate, regard for national foreign aid policy or interest in coordinated national strategies (The HELP Commission, 2007). This, coupled with congressional micromanagement by appropriating at the program level instead of strategically by national or regional objectives, creates fragmentation and redundancy in the overall delivery of U.S. foreign aid. The fragmentation in the budget prevents the execution of any national strategy for foreign aid, especially as the volume of appropriations has grown to address additional interest and objectives. “The world has changed and U.S. assistance programs have not kept pace” is one of the critical findings in The HELP Commission Report on Foreign Assistance Reform. The report offers some explanation

“The development challenges of the 21st century differ from those of the 1960s when the principal legislation governing America’s foreign assistance took effect. Changes in economic conditions, demographics, technology, and in our understanding of the potential consequences of local and global environmental risks, require new ways of promoting development.”

Highlights of Implementation Practices

Consistent with the tied-aid conditionality clause (“buy American”) of the Foreign Assistance Act, the institutional mission of the USAID model is to define and administer foreign aid programs of work for outsourcing to implementing partners (for services) or American manufacturers (for goods). These congressionally mandated conditions make the USAID model fundamentally a procurement model, and a decidedly American procurement model, with essentially 100% of programmatic funding earmarked by congressional interests to make purchases of American goods and services, regardless of

their applicability, appropriateness, or effectiveness for the partner country.²⁹ In contrast, according to the Paris Declaration model presented in this research, effective aid would require USAID to transfer knowledge and skills to build partner governance, management and implementation capacity enabling ownership of and leadership over their own development. For USAID to do so would be to put itself out of business. In reality, the degree to which local USAID Mission Directors and staff engage the partner government and civil society prior to writing their country report represents the extent of partner "ownership" or "leadership" regarding U.S. foreign aid to their country. The country report feeds into the bureau report, which underlies USAID strategies, program design, contract design and awards from Washington. There is no opportunity for the partner countries to lead the development activities of the implementing partner, engaged by a USAID indefinite-delivery/indefinite-quantity contract, to deliver a program of work. All the partners can do is cooperate, or decline to cooperate.

An exception to this practice is the fixed amount reimbursement agreement (FARA) program, managed by the USAID Office of the Comptroller (instead of a programmatic bureau). This is a good example of adopting a "work-around"³⁰ that USAID must create in order to evade legislative restrictions and allow countries to "own" their program—or at least the implementation of it. These USAID-defined and -designed scopes of work with MCC-defined benchmark metrics and deliverables are a

²⁹ For detailed explication of this process see (Scappini 2004).

³⁰ The opportunity for this "work-around" existing language was a request for Congressional modification of part of the ADS 320 language. The request was to modify existing ADS that had authorized reimbursement of small construction projects to include disbursements against completed actions (represented by benchmarks or indicators). See (Barrington, 2010) Therefore this program was actually within the law, but as recently modified. It is perceived as a "work around" by USAID staff.

[f]inancing mechanism—not a procurement mechanism—whereby USAID agrees to pay a partner government a fixed amount upon a determination by USAID that specified project elements or units have been completed in accordance with plans and specifications which have been pre-approved by USAID.

(Barrington, 2010)

These performance-based conditions provide much-needed funding for policy and practice reform in developing countries and encourage ownership, organization, best practice and results, while leaving the critical capacity-building function, required to meet the deliverables, to the inherent process of implementing the Washington-designed program (Zimmerman, 2007). At least one of the fourteen countries³¹ in which this model of aid delivery has been deployed, namely Liberia, has experienced self-reported successes in organizational effectiveness and the use of best practice in budgeting and procurement processes, with some capacity-building of local staff, as a result of the implementation of a USAID-designed scope of work. Liberia achieved 100% reimbursement of its initial phase, funding that will be used to supplement the next phase of implementation. The political argument that supports this payment-after-the-fact approach (a means of working around the “buy U.S.” conditionality restrictions of the Foreign Assistance Act and Federal Acquisition Regulation) is that USAID is paying for results that have already been achieved, not fronting money that can be diverted, absconded with, or used in any manner inconsistent with U.S. law. But while this approach is promising, the “ownership”—the decisions regarding what scope of work is

³¹ USAID has identified 28 countries in which they intend to deploy this model of aid delivery.

to be addressed, contracted, and funded—continues to reside in Washington (Briggs, 2012).

To address the capacity building (services oriented) objectives of U.S. foreign aid, USAID has resorted to using increasingly large indefinite-delivery/indefinite-quantity contract (IDIQ) projects,³² to facilitate execution of their budget, relying on contractors to draft the statements of work (SOWs) that define award conditions and the program to be implemented in-country (Natsios, 2010). The organizing principles of the USAID model³³ include the centralization, in Washington, of all program administration, including matching annual policy and appropriations earmarks to USAID programs; translating the intent of policy; identification of aid priorities; framing the SOWs and awarding the IDIQs; and providing practice procedures³⁴ guidance. In Washington, the statements of work are awarded to an “implementing partner,”³⁵ which hires contract personnel from the pool of free-agent Western contractors. Sometimes the personnel hired are the very contractors who created the SOW for USAID under a separate personal service contract to USAID, a direct conflict of interest. The basic premise of “aid,” a voluntary transfer from one government to another, is therefore replaced by the profit motive of the private-sector implementing partner. The contract obligates the

³² Recall that IDIQs (Indefinite Delivery, Indefinite Quantity) are the primary contracting mechanism USAID uses to short-list approved contractors for as yet undetermined programs of work that will be defined later, once contract awards have been made and implementing partners define their scope of work from the field. For detailed explication of this mechanism, see Scappini, K. (2004).

³³ Recall that this model includes the practices that are used by the Departments of the Executive Branch each of which have several independently funded foreign aid programs.

³⁴ The Automated Directives System (ADS) guidance and procedures are included here by reference to “practice procedure.”

³⁵ Implementing partners are private sector U.S. foreign aid service providers who have assumed the traditionally USAID role as aid implementers in partner countries.

implementing partner to make its “best effort” to provide the designated aid program/training in a particular country, without metrics or any type of specific performance, except inputs (resources, i.e., people and money) and outputs (status reports), indicating program success or failure. There is no contractual (or moral) obligation for effective performance; in fact, this clause releases the contractor from obtaining *any* result, and yet the contractor is guaranteed payment according to its cost basis and the Federal Acquisition Regulation requirement that the government “make timely payment” (within 30 days of invoice receipt), regardless of billing inaccuracies, inflated costs, or inflated claims of accomplishments. The implementing partner becomes an agent of USAID, contracted to design and deliver foreign aid within the USAID limiting framework, but it has no contractual obligation to either USAID or the aid recipients to deliver anything of quality, value, or transformative significance. Yet it is by their work, in part, that USAID’s “performance” is judged and usually deemed a “failure.” There is no distinction between the implementing partner’s profit-motivated poor performance in the field and USAID’s legislatively restricted role since the paradigm shift to administrative performance (budget execution and reporting), at which it is usually quite successful.

Without this distinction in performances, the new oversight agencies created under the second paradigm shift have every incentive to find fault with USAID, rather than the private sector, to justify the overseeing agencies’ existence and continuing budget. If there were no failures for which to account, then either the overseeing agency is unnecessary or they are not performing.

Note that when the Kennedy Administration “called for” reform, their rhetoric turned into the reorganization of four implementing agencies into one to improve implementation performance—“a turnaround in the fate of the less-developed world.” When the G.W. Bush administration called for reform, their rhetoric created an entirely new legislative basis for foreign aid—the Millennium Challenge Act—which created an entirely new agency, the Millennium Challenge Corporation, with the specific mandate to change the delivery mechanism of foreign aid for improved implementation performance—improved development results for our partners. Each administration did something within its power to initiate implementation performance reforms. In contrast, when Congress has called for foreign aid reform over the years, even as recently as the latest budget debate in 2013, their rhetoric has resulted in several new bureaucratic agencies delegating congressional oversight responsibility, criticizing existing foreign aid delivery methods—specifically USAID—for misplaced performance expectations (Meyer & Rowan, 1977; Suchman, 1995). If USAID were not executing its budget, that would be one thing, but criticizing aid for the poor performance of the private-sector implementing partners over which USAID has very little influence represents the rhetoric-reality mismatch.

The USAID In-Country Community

A USAID team characteristically consists of implementing partners appointing employees to serve as chief/deputy chief of party. While reporting to their own U.S.-based management, they liaise with the USAID contracting officer, the USAID direct hire (employee) responsible for overseeing the contract, albeit not necessarily the

deliverables. The cadre of contract personnel hired for an indefinite-delivery/indefinite-quantity contract generally constitutes a large and disparate group. Each contractor is hired for a specific skill set required by the statement of work, and each operates as a free agent in his or her area of expertise. Upon being hired, the contractor is relocated directly to the country of assignment, without being orientated to the implementing partner headquarters organization or culture. There is no advanced training, no corporate or mission team building, no investment in relationship.

In non-hostile environments, contractors are not colocated except in terms of having access to the implementing partners' local office. They live and work in different locations, depending on where their expertise is needed, and form social groups based on similar social interests (for example drinkers and nondrinkers; those interested in exploring the local culture and shops in their free time and those uninterested in foreign exposure beyond work requirements).³⁶ In hostile environments, contractors are usually colocated in a secured compound, leaving the compound to go to different work locations as security permits. In colocated environments there are more opportunities for social interaction and relationship-building between contractors. Yet colocation can be more of a detriment to the community than a positive factor, as interpersonal tensions may escalate as the contractors are required to live in such close quarters over extended periods of time in the midst of an external hostile environment.³⁷

³⁶ Field notes 1991-1998; 2004-2006 including conversations and interviews with hundreds of contractors hired to work on USAID IDIQ contracts for the many U.S. implementing partners and the U.S. and foreign head hunters who facilitate the matching of skill sets to IDIQ staffing requirements.

³⁷ Field notes 2007-2009 including conversations and interviews with hundreds of contractors hired to work on USAID IDIQ contracts for deployment to Iraq.

The contractors are supposed to design a work plan that fits into the statement of work with defined activities and deliverables (although the plan is also used as a tool to expand the workload and the number of personnel billing, in order to raise revenues under the IDIQ), based on their assessment of the local circumstances and conversations with their partner country counterparts (for example, an urban planning expert contractor would have a partner counterpart in the person of the city mayor, or the district manager). It is from these work plans and activities that “success stories” are solicited by the USAID contracting officer, general development officers or the USAID Mission Director’s Office, for use in reporting information and progress to Washington.

Implementing partners hire local country nationals, particularly for the “train-the-trainer”-style³⁸ hallmark capacity building programs for which USAID is well known. The intent of these programs is to provide critical capacity building to strengthen partners’ abilities to lead and direct their own development programs; to develop a broad-based understanding of their country’s development constraints and needs; and to effectively plan, manage and execute their budgets to provide transparent reporting to civil society to ensure domestic accountability.³⁹ The intent is to impart new techniques and transformative principles (Western concepts) of international best practices as part of the “training of” the trainers.

Our goal is to use assistance and development to help nations realize their own potential, develop their own way to govern, and become our economic partners.

³⁸ Train-the-Trainer programs are a hallmark of USAID wherein the objective is to teach local counterparts the skills to perform certain functions that the local counterpart then uses to train cohorts of local trainees.

³⁹ There are many other types of Train the Trainer programs in different sectors, such as Agriculture, Rule of Law, even Police Training.

(United States Agency for International Development, 2013d)

Western advisors often provide individualized training in the context, process and purpose of the material and training methods, even including the cocreation of training material for the local trainer to translate and deliver; the local trainers design training according to what they know, and while they are usually adequate or even very good as trainers, they are not teaching the necessary subject matter, let alone transformative principles or techniques. For various reasons the local trainers may (often do) not incorporate the necessary subject matter, either because they believe it will not be well received by their local “students-counterparts,” or because they themselves do not accept the material or feel they do not have sufficient grasp of it to train others. Additionally, some are simply afraid to introduce new ideas amongst their peers (as in the case of Iraq, when Iraqi trainers would not conduct training on revised procurement procedures—in spite of the new law regulating it—because they were afraid of corrupt managers who would likely have them killed).⁴⁰

Moreover, since the contracting mechanism of this model, the IDIQ, stipulates that the implementing partner is not responsible for actually initiating or introducing change or achieving any result (being required only to make their “best effort”), their local hires have no such obligation either, so that in the end no change may eventuate. Not only is it problematic to have little or no performance in country, but the missing

⁴⁰ Field notes 2007, data from working relationships, observations and interviews with Iraqi training cohorts, their managers and ministers from the Ministries of Defense, Interior, Finance, and Planning and access to USAID policy meetings, field reports and success stories. Field notes 2008, data from working relationship and interviews with Iraqi Governorate training cohorts, their department managers and the Governors of eight provinces (both Sunni and Shia) and access to USAID policy meetings, weekly situation reports by IDIQ contracting officers and Success Stories.

element for necessary reform is how and to whom that information is reported. The congressional metrics for USAID are (1) budget execution rate and (2) program outputs. The report to Congress may claim an output of “7,000 trained,”⁴¹ but that represents only the number of names on a registration form; it does not reflect the number of actual persons trained, nor does it indicate whether this was 7,000 persons trained in one course or 1,000 persons trained in a curriculum of seven courses to build some meaningful skill set (there is rarely an actual curriculum, but rather a set of single courses). Nor does it report anything accomplished by those trained, or whether they even showed up for the training session! What would be useful is engagement with partners (individually or collectively, for example by function, i.e., all accounting, contracting and budgeting management, then departmental practitioners) to define their training needs and then an assessment after training to see if those needs were met and how to improve the material for the next cohort. What is relevant, but missing, is the nature of accomplishments by the students that reflect their ability to integrate the content of the training into development impacts in their workplaces; this would reflect the program funding to impact correlation sought by the program assessment rating tool (PART) of the President’s Management Agenda.⁴² The program continues because its oversight is misdirected and no one

⁴¹ Sometimes information is provided on the level of education of those trained, or on their job title, to show that the program is reaching “high-enough” or appropriately positioned officials.

⁴² The President’s Management Agenda (PMA) was a initiative of the G.W. Bush administration that sought to link programmatic funding to staffing, objectives and specific performance. This differs from the many prior government reform initiatives that were focused on internal efficiency gains.

discovers the disconnect between capacity-building policy intentions and the actual results.⁴³

How partners are characteristically engaged by USAID implementing partners is exemplified in the “aidnographies”(Gould, 2004), below.

Implementing Partners’ Role in National Services in Iraq

The most prominent engagement of USAID in Iraq consisted of a number of very large indefinite-delivery/indefinite-quantity contracts (IDIQs)—one each at the ministerial, provincial and community levels—for the rhetorical purpose of “devolving governance to the subnational level ...[and] put[ting] governance in the hands of the people” (The White House, 2005). The tiered programs were known as *Tatweer*,⁴⁴ working at the national/ministerial level; the local governance program (LGP), working at the provincial level; and the community action program (CAP), working at district/local levels; each was an IDIQ with different implementing partners. Given USAID’s procurement model, it was necessary to organize the mission in a way that could be broken down into multiple contracts, hence the hierarchical character of the national

⁴³ Delivering goods, such as vaccines, is easier to report. For example, 1000 vaccines are sent to partner country, and all are assumed “delivered” in the form of “number of children vaccinated,” resulting in a “Success Story” or “1000 children protected from preventable diseases.” Note that USAID’s “cutting edge analysis” results in statistical quotes like “\$342 million of private capital invested in Africa (leveraged from USAID’s Development Credit Authority.” However, whatever outcomes resulted from this investment are missing. When private companies invest in development, their entire budget is included in the foreign direct investment, even though much of that budget is for overheads and operating expenses yielding no benefit to locals. Rather, it simply establishes the foreign investor’s operational capacity in the country or region.

⁴⁴ While *Tatweer* is an Arabic word, I have been unable to find a reference as to its meaning in this context or why USAID used this term to name the IDIQ contracted to Management Systems International (MSI) for ministerial-level foreign aid.

program. Organizing the aid program this way positioned USAID not only to manage the *what* of USAID delivery but to effect the *how* of Iraqi public finance practices.

While *Tatweer* subcontractors were working with ministries on revising and creating new policies and procedures, there was very little communication to the new Iraqi sub-ministerial civil governance structures creating a national-to-subnational disconnect in policy diffusion and the creation of interfacing communications and systems. Meanwhile, newly established governorates⁴⁵ and district civil governance structures were working with the local governance program and community action program subcontractors, respectively, training in their respective executive and legislative roles and establishing administrative, management and budgeting systems. The initial focus was on horizontal interfacing so that the governorate executive offices could communicate and coordinate with governorate legislatures; however, it was quickly recognized that vertical interfaces with the ministries was vital to obtaining governorates proportional shares of the national budget. Since this tiered IDIQ structure placed USAID subcontractors at all three levels of governance who were creating contacts, if not relationships, with key representatives of Iraqi government at each level, it uniquely positioned USAID programs to effect the complex capacity-building and communications gap creating the disconnect—had there been collaboration, cooperation and communication amongst the three USAID programs. The effect of the multiple IDIQ

⁴⁵ Newly established governorates refer to the executive offices of the governors of each of the provinces within Iraq established under the Law of the Governorates which created sub-ministerial governance structures. The sub-ministerial legislative institutions were called Provincial Councils.

program in the field was to foster competition among the three main implementing partners for “success stories” and additions to the scope of their work.

A fundamental example of this disconnect is with the Iraqi national budget and the allocation of national resources to sub-ministerial agencies for obligation, execution and annual settlement. With the influence of U.S. experts, the Iraqi parliament passed a constitution with new appropriations rules that, amongst other issues, limited the use of appropriations to an annual cycle. But while the Ministry of Finance issued general procedural guidelines, it gave no explanation of the new constitution, new budget policies or how they were to be addressed at sub-ministerial levels. The old practices obligated funding until it was executed while the new procedures required annual allocations of the national budget be obligated within that year, else they would be “lost” or returned to the Ministry of Finance. While *Tatweer* contractors were assigned to facilitate the creation and implementation of accommodating practices at other ministries (horizontal integration), there was no country ownership of a system of devolved governance. It had been designed in Washington, rather than Baghdad. *Tatweer* was aiding in the process of defining, organizing and training at the ministerial level; however, the contractual competition with local governance program (LGP) prevented them from collaborating with LGP and passing information on the new practices to LGP contractors to assist them in working with their local counterparts to define and design governorate practices consistent with new ministerial operations.⁴⁶ Additionally, Deloitte was awarded a

⁴⁶ Field notes 2007.3, 2007.4; 2008.3, 2008.4 data from working relationships, observations and interviews with Minister of Finance, departmental management of the Ministry of Finance; U.S. Department of

USAID IDIQ specifically to aid the Ministry of Finance. The resulting contractual competition between Deloitte, *Tatweer* and the LGP prevented contractor collaboration that could have greatly enhanced U.S. aid effectiveness in this vital governance integration.

As a result of this disconnect, the provinces lost hundreds of millions of dollars in necessary development funding from their proportion of the Iraqi national budget recalled by the Ministry of Finance each year for failure to obligate. While this was national policy, not necessarily national practice, the implications of this policy were not explained and the provinces were expecting all appropriations indefinitely, as had been their prior operational model. Furthermore, the local governance program missed the opportunity to foresee this problem because they were operating in a vacuum with only limited ministerial information passed through the Iraqi system. They could instead have taken advantage of the expertise and communication skills of USAID *Tatweer* contractors to arrange more effective vertical integration, consistent with the U.S. mission to implement a policy of devolving governance down to the lowest levels of society. Since it was not in the best interest of Iraqi ministries to share this information or facilitate vertical integration—to do so would be to cede control and power—the channels in the U.S. community were in fact vital to affecting/creating this process. The

Treasury leadership and staff; departmental management of the Ministry of Planning; Governors and Governorate management staff; Provincial Council members and staff; *Tatweer* lead governance advisors; Local Governance lead and advisors; District Managers, U.S. Army Civil affairs teams operating in kinetic districts in the Baghdad Governorate.

same holds true for the local governance program/provincial program and the community action program/district program.⁴⁷

Additionally, procedures for settling the new, much more complicated provincial (district and local) budgets were not explained to Iraqi subnational government entities, and for years the provinces were unable to settle their budgets, subjecting them to Ministry of Finance recalls or withholding of vital reconstruction financing. This vital vertical integration with new ministerial practices started when a cross-cutting team of U.S. public finance experts (USG employees and [non-USAID]contractors) began visiting each provincial budget department to work one-on-one with accounting, budget, contracting and procurement personnel, explaining the intricacies of the new budget policy and its implications for sub-ministerial budgets, at which point each province settled multiple years' budgets, usually within 3 to 6 hours. In other words, the absence of a USAID community of practice in budget execution led to the failure to address this priority; however, a small cadre of U.S. experts from the Departments of State and Treasury created an ad hoc community with local stakeholders to create the environment for locally meaningful capacity building to take place; it took a community of practice (CoP). As of June 2009, only six provinces had settled budgets for the first time, despite years of U.S. structured aid to all levels of government.⁴⁸

The implications of this failure extend well beyond the settlement of budgets; rather, they help explain the inability of the U.S. Department of Treasury to transfer

⁴⁷ Ibid.

⁴⁸ Ibid.

assets paid for with U.S. taxpayer funds to the Iraqi budget for future operations and maintenance.⁴⁹ A fundamental aspect of resource planning for the postwar reconstruction of Iraq was that the government of Iraq had sufficient resources to fund its own development. The U.S. plan was to occupy Iraq and change the regime while protecting national oil reserves (and revenues), so that those resources could be used to fund the nation-building effort following the war. However, for more than ten years, the U.S.-funded programs remained on the U.S. budget, instead of being transferred to Iraqi ownership and control. There were two primary reasons behind this failure:

- 1) the Iraqis' inability to execute their own budgets, leaving many projects to the Americans for execution, and
- 2) the fact that the U.S. development activities were executed by Americans, using American procedures, resources and personnel, all of which lay completely outside the new Iraqi governance structure that the U.S. mission was aiming to create.⁵⁰

Innumerable attempts were made to foster better vertical integration of the entire USAID program. Such integration was a mission-critical function that was simply missing from the USAID program design. Moreover, neither USAID nor the Department of State had adequate funding for a comprehensive approach to this vital effort. Appeals

⁴⁹ Field notes 2007.3, 2007.4; 2009.1, 2009.2 data from working relationships, observations and interviews with U.S. Department of Treasury leadership and staff; Minister of Finance and management staff; and Ministry of Planning management staff.

⁵⁰ Field notes 2007.3, 2007.4; 2009.1, 2009.2 data from working relationships, observations and interviews with U.S. Department of Treasury leadership and staff; Minister of Finance and management staff; and Ministry of Planning management staff; Governors and Provincial Council members; U.S. Army Corps of Engineers, Seabees and their foreign counterparts from the multinational force engaged directly in the reconstruction.

were made to the military, which was also involved at these three levels of governance through the U.S. military tiered command structure. The military disposed of hundreds of millions of dollars in the Commanders Emergency Response Fund (CERP) and Department of Defense programmatic resources. But all appeals failed to enlist the cooperation and collaboration of the military in supplying more effective civilian aid.

Since USAID program design could not achieve vertical integration among its implementing partners, it was unable to cultivate local ownership for the USAID program design or facilitate this critical function within the Iraqi subnational governance structures that U.S. aid was establishing—an opportunity cost inherent in the competitive USAID program design.

USAID Role in Provincial Services in Iraq

As USAID's primary representative in the provinces General Development Officers have the responsibilities to engage, monitor, identify, and support the technical and management staff, from headquarters (United States Agency for International Development, 2006b). Note that none of these functions actually implements or executes any U.S.-funded program. USAID's role in the field is limited to overseeing the IDIQ contracts defined, awarded and funded out of Washington. There is little a USAID program officer can do but sell the Washington-based program to local leaders, support Washington-based management staff visits and supply status reports.

Implementing Partners' Role in Provincial Services in Iraq

While the USAID local governance program in Iraq sought provincial development strategies, one of the donor commitments on capacity-building practices for

more effective aid, provincial development strategies require a broad consultative process with many sectors of civil society. The scope and funding of the USAID-defined work programs were too limited to allow for this. However, the Research Triangle Institute (RTI) won the IDIQ contract to deliver the USAID-specified statements of work, which included these provincial development strategies. RTI devised a cost-minimizing approach to meet a deliverable, a set of provincial development strategies (PDS), one from each province in Iraq. The budget was so limited and the number of foreign experts (predominantly Americans) so low that the PDSs were actually written by a small cadre of Iraqi local hires based on local contacts with the provincial governor's office. Instead of representing well-organized strategies, the resulting PDSs were no more than wish-lists of projects that needed funding, with each wish list preceded by proforma introductory remarks. There were no town hall meetings with women and minority representation, and no representation of commercial interests—except for those involving governorate employees. Research Triangle Institute (RTI) presented these provincial development strategies to each governorate, and to USAID, as one of its deliverables.⁵¹ Thus, while RTI met their deliverable and received taxpayer payment for doing so, the knowledge, skills and abilities to execute a national consultative process for the broader representation of society were never developed, nor were provincial-level consultative processes for the cultivation of provincial voices and the design of locally owned development strategies. This is the opportunity cost, for each Iraqi province, of the

⁵¹ Field notes 2008.2, 2008.3; 2009.2 data from working relationships, interviews and review of official documentation and correspondence with RTI management, practitioners and Iraqi subcontractors; USAID Mission leadership and Contracting Officers.

Washington-based design of the USAID program, whose mission was to build provincial- and district-level governance capacity to support the lower/lowest levels of civil society. The U.S. priority for quick, same-year results prevailed over effective development policy objectives. The ultimate cost to the U.S. was that Iraqi reconstruction process became a much longer and more expensive endeavor than it need have been.

USAID Role in Goods in Africa

While the example above is characteristic of USAID aid in services, the following example is characteristic of USAID aid in goods. The Alleviate Hunger in Africa program was funded for thirty years. An implementing partner was contracted to purchase American fertilizer (inputs) and distribute it to farmers in Africa to increase their sustainable food production (outputs) and hence alleviate long-term hunger (anticipated outcome). For thirty years the entire budget for this program was expended on the purchase of American fertilizer and its delivery to African farmers. The metric of success for the program was the full obligation and rapid disbursement of the budget allocated to it. From that perspective, the program was an annual success story. However, upon closer examination, there were no metrics regarding the nutritional value of the food, or the increased numbers of people fed, or the reduction in the rate of deaths due to starvation. Additionally, there were no metrics regarding the increase in farm productivity, no doubt because there was no such increase according to African recipients of the fertilizer. There was no increase in the productivity of African farming, despite the full disbursement of the program. One might suggest fraud or abuse. However, it was actually a classic case of poor program design from Washington-based staff, who had

excluded the indigenous farmers from the problem definition or in-field performance oversight, and also a classic case of inappropriate congressional oversight, focused on budget execution rather than development results. The result was pure waste. For thirty years no one monitored the program, even though monitoring would have revealed early on that the absence of productivity increases required a change of program design. As is characteristic of these statements of work, the USAID officer who designed the program assumed that USAID understood the full extent of the problem of food productivity in Africa, without having consulting the local farmers or letting them own their own productivity enhancement program. In the 30th year, a young intern from the implementing partner inquired into the increased productivity and learned that there had been none. He asked a local farmer for his perspective on why this had happened. The farmer informed the intern that they had not used the fertilizer on the crops, even though they knew that it would have increased crop productivity. Instead, they had used the fertilizer to wash their homes. Had they used the fertilizer on the crops, the crops would have been overrun with weeds which they did not have the means or labor to deal with, so they had to forfeit the fertilizer to ensure that they at least got some productivity (Ingram, 2000).

The Incentivizing Model—Millennium Challenge Corporation (MCC)

As the complexities of implementing development programs in foreign countries lacked sustainable progress, the entire concept of foreign aid was reevaluated, and in 2000 the United Nations established eight international development goals for the new millennium, known as the Millennium Development Goals (MDGs). This ushered in a new way of looking at global poverty, health, education and environmental sustainability. In response to this initiative and growing disappointment in USAID's inability to meet minimum performance standards on the Program Assessment Rating Tool of the President's Management Agenda, the George W. Bush Administration saw the Millennium Development Goals as a means to create a new U.S. model for foreign aid delivery that would incorporate many of the MDG philosophies within the context of U.S. values and objectives (Dyck, 2005; Grossman, 2005; Hewko, 2005; Nummy, 2005). The perceived inadequacies of the USAID model were made clear when, according to the USAID Ombudsman Jean Horton:

MCC was created because The Administration was displeased with our (USAID) performance and didn't trust reforming us, so they just created a new agency (Horton, 2004).

Carol Lancaster, a career foreign aid insider, adds,

The administration chose to create an entirely new agency to manage these funds [the Millennium Challenge Act (MCA) monies] rather than to locate them in USAID. (This decision reportedly reflected a lack of confidence in USAID's capacity to manage the MCA monies as intended. I have been told by a number of

sources that the decision memorandum presented to the president on where to locate the MCA funds included only two options: putting them in the State Department and putting them into an entirely new agency. Putting them in USAID was not even an option.) (Lancaster, 2007).

In 2003, the Millennium Challenge Corporation (MCC) was unveiled at the Monterrey Summit in Mexico, and by 2003 Congress had approved the Millennium Challenge Act (MCA). The MCC model was designed to conform to the MCA, which was a response to the global discourse on MDGs. These goals not only incorporate, but hold as core features, many of the best practices of the Paris Declaration (PD) upon which MCC's core practices are based (MCC, 2003b, 2008b). MCC uses a subset of the Paris Declaration best practices as central tenets to its organizational form and implementing practices. This subset comprises good governance, country ownership, a focus on results and transparency (MCC, 2012b).

MCA (Millennium Challenge Act) is intended to provide a significant policy incentive to candidate countries by commanding the attention needed to galvanize the political will essential for successful economic growth and sustainable poverty reduction, and needs substantial resources to have that incentive effect.

(Millennium Challenge Corporation, 2006c)

The Millennium Challenge Act (MCA) represents a significant shift away from the traditional (USAID) model of foreign aid to one more closely aligned with the history

of U.S. foreign policy objectives that aim to improve the quality of life of partner⁵² populations by alleviating poverty through economic growth and opportunity and reflects many of the principles espoused by the Millennium Development Goals. To understand the key constraints and/or incentives imposed by the MCA, it is helpful to identify the constraints that are absent from it vis-à-vis the Foreign Assistance Act (FAA), that is, the many liberties granted MCC that are forbidden USAID.

The MCC's appropriations are classified as grants with a "no-year" funding term, which means the funds are available for use in any year, within the established boundaries of five years, reflecting the longer time frame needed to have meaningful development impact. MCA allows MCC to commit compact funding, in full, upon signature of each compact. This does not mean that the entire grant is given to the partner at once; rather, an account is established within the U.S. Treasury into which those funds are deposited. Funds are released on a evolving schedule of quarterly budgets and procurement plans cocreated by the MCC and partner teams,⁵³ making a five-year flow of aid entirely predictable. While the MCA makes this particular timing-to-funding fix, it does not alleviate the external political pressures for results reporting in the immediate and shorter term, which remains an ever-present balancing act. This framework is

⁵² This process of selecting partners to become eligible for MCC funding is itself a process unique to U.S. models that is based on a set of standardized indicators in four categories: ruling justly, investing in people, relationship between growth and poverty, and encouraging economic freedom. Each category has a number of performance statistics against which all countries in the low- and middle-income categories are compared relative to each other in a selection process that determines which countries become eligible for MCC assistance from the U.S.

⁵³ The Millennium Challenge Act requires the establishment of a partner country "Accountable Entity" with whom MCC team partners. Initially this is the MCA team, referred to in the text as a partner team, which evolves into the "MCA Accountable Entity," referred to in the text as the Accountable Entity (AE), as required by U.S. law.

different from all other U.S. foreign aid models, in which appropriations must be used and accounted for annually, preventing the longer-term planning required to address today's development challenges.

Tied aid subsidizes the donor industry, as it undermines a partner's capacity to provide goods and services in a sustainable way, thus attenuating the partner's economic and governance legitimacy. The MCA mitigates the U.S. "buy American" clause in the FAA by allowing local procurement in support of their economic development mission. Additionally, for complex procurements, MCA allows open bidding, with the award going to the best-value proposal, including other donors. This is the most significant difference from all other U.S. aid models, most of which comply with, or work around, this restriction to attempt to accomplish their objectives, usually at much higher cost because of the restriction.

These two mechanisms combined facilitate another incentive of the MCA, which is additional grant funding for the purpose of addressing early capacity building challenges in the partner proposal and the MCC due-diligence stages of the process of obtaining MCC aid. The U.S. has consistently found that partner countries lack the capacity to engage with U.S. organization on the policy and institutional issues required by their legislation. For example, the MCC requires that a national consultative process be conducted by each partner to obtain broad representation for their national development challenges, needs and priorities. Partner countries have not had the capacity to conduct, let alone craft, such a widespread initiative relating to U.S. policy and process issues they do not yet understand, resulting in many countries abandoning hope of

obtaining this aid without even trying. Section 609(g) of the MCA specifically provides funding to eligible countries “for the purpose of facilitating the development and implementation of the Compact between the United States and the country” (U. S. Congress, 2004). Examples of the use of these funds that are very helpful are (1) for capacity-building grants to national statistics bureaus to enhance the quality and development of baseline statistics, and (2) for the collection of other information requirements of the due-diligence process in order to proceed to the compact development stage. While the local capacity building takes place, it does so in the context of serving donor needs to respond to political and legislative pressures for specific types of data and results reporting. For example, funding to build capacity of the national statistics bureau in fact increases partner understanding of Western statistical models, data gathering techniques, and enhanced information systems for improved analysis, all of which partners will continue to learn to use for their development. However, this capacity building is funded with this U.S. mechanism to serve congressional requirements for specific types of data for results reporting to Congress, without which MCC aid would not be approved.

The Country Team

The key to evaluating MCC implementation practices is an understanding of the uniqueness of the MCC organizing principles, where MCC and partners cocreate the context of the process-oriented practices involved in translating U.S. policy and legislation into a meaningful development program (versus an aid “intervention”) that addresses partner priorities and development needs. Its uniqueness lies in the mutual

learning that takes place in the iterative interactions of a community of practitioners that is created from the very beginning between the initial MCC team and the initial partner team; the term "initial" is used intentionally, as the teams evolve over time depending on the work they cocreate, which changes the types of expertise needed to comprise the Country Team. The Country Team, this community of practitioners, engages in an iterative interaction cycle of identifying, defining, and designing a development program specifically to address (at least some) of the partner's development needs and challenges, which this research suggests is a model of the community of practice described in the theoretical model presented in Chapter 2. The Country Team is comprised of subject matter experts drawn from the matrix of MCC's organization, with members contributing to multiple Country Teams as required. For example, there are MCC teams for each country proposal submitted to negotiate the compact development process (CDP). There are also subject matter teams; in this research they are identified as "communities of practice," with a subject-specific domain, that specialize in different functions, such as fiscal accountability, procurement, land tenure, agriculture, infrastructure, microfinance and so on. The subject matter experts support the advancement of concepts, practices and performance metrics in their subject-specific community while simultaneously serving on one or more MCC teams. The MCC team consists of a compact development team leader and support staff, experts in each sector relevant to the partner countries' proposed development plan, experts in fiscal accountability, procurement, environmental impact, and legal counsel and a team from Monitoring and Evaluation (M&E)—approximately twenty people, depending on the scope of the country proposal.

The partner members of the Country Team include the program leader and representatives from the sectors included in their country proposal from which a compact (in this usage, a compact is a development program of work agreed to by a contract, the compact, between the U.S. and its partner), and therefore the U.S. and partner teams are meant to complement each other's skill sets in the areas required by the proposal.

Upon "entry into force," a decisive moment when the partner has met all of the political and legislated conditions of this particular development program, the program responsibilities are placed with a partner Accountable Entity, comprised of many of the partner team members, who cocreate the development program and are now responsible for implementing the compact in their country. This Accountable Entity, with its local advisory board,⁵⁴ represents the Country Community addressed in the next section of this case. There is a unique twist to all of these identities, because so many people have a voice in the Millennium Challenge Corporation (MCC) process that it appears cumbersome to manage. Instead, if one becomes clear on the roles and responsibilities (as well as the nomenclature), one can see how this matrix of relationships can, and does, work.

Caveat

These identity distinctions are being made in this section of the text as a caution to the way the material in this case will be "heard" when explained in the language of the field, what Meyer refers to as the "vocabularies of structure." The political discourse on

⁵⁴ The advisory board serves as a sort of board of directors that oversees the Accountable Entity. It has a very broad representational membership, including key ministries, civil society at large, minority groups, and other affected groups.

foreign aid has become so fixed in our listening that although we filter the metaphors, we have accepted an ideology of resignation that projects old notions as a pseudo-scientific image of reality, when in fact, what will be described here has very different (specific) implications regarding the usage of the common foreign aid language. Terms like "partner," and "capacity building," and like "whole of government," and "integrated interagency" from the first case, have become so politicized as to mean virtually anything the speaker wants them to mean without being specific. That is why it is necessary to specify, here, that the use of this common language in this case study has a much greater depth of meaning and significance than the mere speaking of it.

For example, fundamental to the MCC model is the principle that the partner own the entire process of compact development, program design, contract negotiations, program implementation, oversight and reporting to its constituency. Use of the term “own” is an application of the caveat. Partner "ownership" has been used to mean anything from signing off on a procurement document prepared by a foreign advisor to agreeing to budget for operations and maintenance of facilities planned and constructed by foreign donors, all the way to the significance meant by the MCC model. Partner ownership means the partner government-appointed/hired partner team members and the Accountable Entity make the decisions based on their own contexts, including hiring and firing appropriate personnel and contractors; creating their work practices, systems and management; and negotiating with their ministries and civil society. In short, MCC partners "own" the application of Millennium Development Goals, MCC and Paris Declaration principles for aid effectiveness. They own it all. MCC Country Team

members assist them in the practice of foreign aid knowledge-work with a reality bounded by political and legislative objectives and limitations.

Highlights of MCC Implementation Practices

In the early years, the compact development process was initiated when the MCC team and the partner team exchanged information about the forthcoming partnership. The partner team was provided with guidance on how to work with MCC, the criteria and limits of this funding as mandated by the Millennium Challenge Act, how to proceed to the process of negotiating a program of work to be funded by this type of aid and a timeline to meet U.S expectations and deliverables. Then MCC waited for a proposal from the potential partner.

Figure 2 (MCC Program Cycle Fact Sheet) reflects the early thinking of how the MCC process would flow. Early expectations were that the potential partner would provide a proposal addressing the data requirements and the MCC team would begin interacting with the partner team to conduct due diligence in an effort to legitimize the proposed development program (in MCC parlance, this is called a compact) by showing how it meets MCC's mandate of alleviating poverty through economic growth. This would lead to a program set-up phase to outline scopes of work and anticipated outcomes. Stage 4 was the implementation and monitoring stage of executing the work plans and monitoring for compliance with the program and use of funds and seeking evidence of the anticipated outcomes. Once the compact term had ended, MCC anticipated continuing evaluations to assess the development impacts that require a much longer term to manifest. Given the then-current view from the top approach to creating

this model, the espoused theory envisioned the process as manageable, appropriate relative to the Millennium Development Goals and predictable. The learning literature tells us the theory in use is different, and it was.⁵⁵

⁵⁵ Reference: espoused theory, theory in use: Argyris, Schön, 1978, 1996.

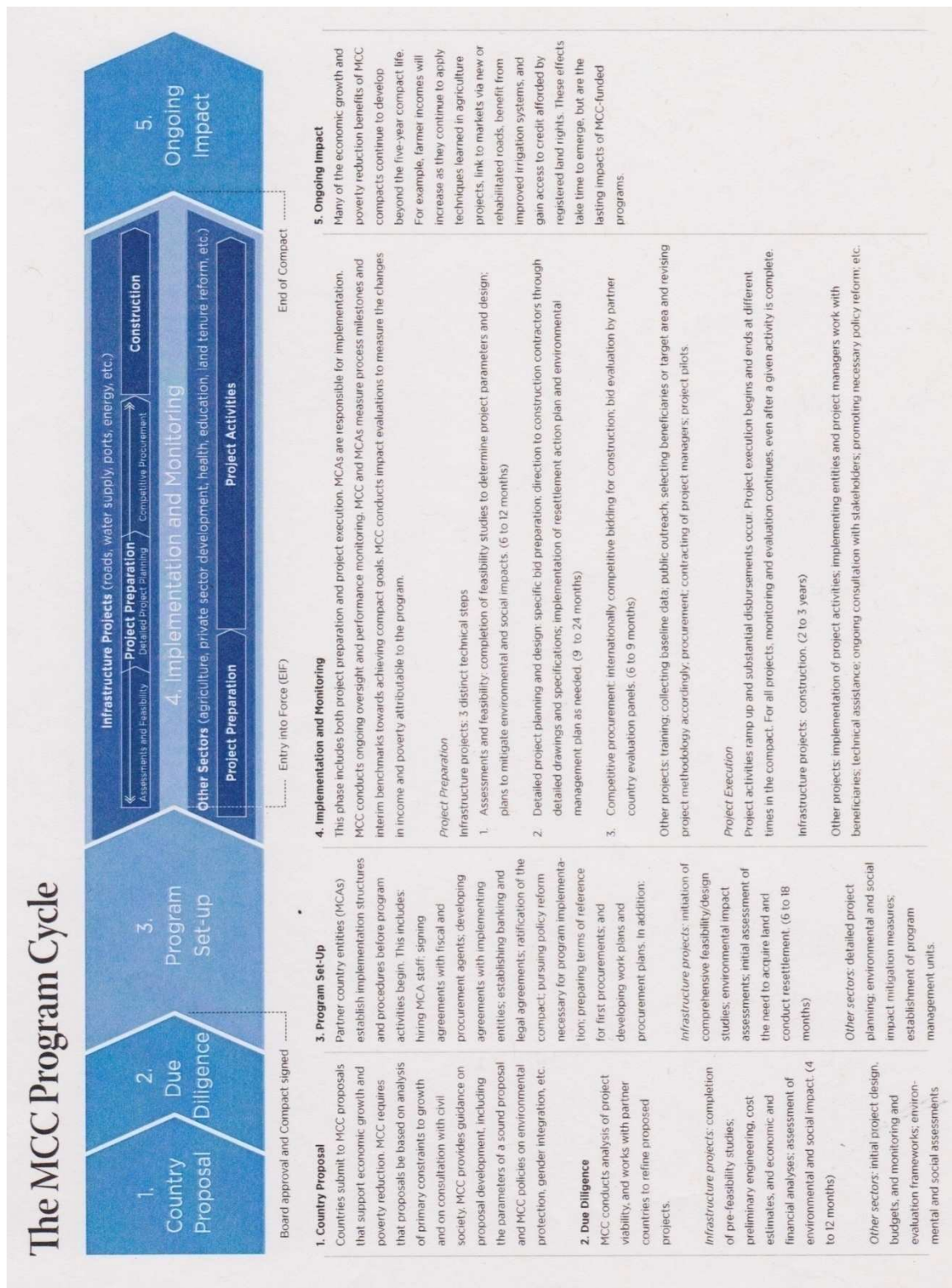


Figure 2. MCC Program Cycle Fact Sheet March 6, 2008

The Initial Process

When early proposals arrived and consisted of massive to-do lists,⁵⁶ which made the compact development process unruly and very time consuming,⁵⁷ the Millennium Challenge Corporation (MCC) faced the reality that partner countries did not have the capacity to meet MCC's expectations for the process (Lucas, 2013). MCC found itself winnowing voluminous wish lists to piece together a proposal, a process intended to support partners' decision-making and priority-setting. Unprepared to reallocate their congressionally mandated small staff to a function designed for partners, MCC began to make heavy use of the pre-compact funding to hire contractors to facilitate the national consultative processes and acquisition of requisite statistics and to conduct environmental and other impact analysis, all of which were required elements of a framework MCC needed to create a compact, their original function.

Recall that MCC had one year to get up and running and obligate a billion dollars; these types of time setbacks had to be resolved immediately. MCC continuously refined the compact development process as it faced unexpected challenges based on partners' limited capacities and the absence of detailed guidance to support partners' independent activities, which was delaying budget obligations. These guidance refinements are an ongoing effort at MCC, and a recurring theme of this case.

⁵⁶ Very similar to the national and provincial development strategies in Iraq.

⁵⁷ Field notes 2005.4, 2006.1, 2006.2 data from working relationships with MCC teams, partner teams, partner Ministers of Planning and Finance and staff; interviews with MCC and partner Accountable Entity leadership and staff; and observations and interview with practitioners implementing compacts in Benin, Mali, Morocco. Review of many partner proposals and comparison with final compact initiatives.

The Current Process

The National Consultative Process and Project Proposal. The current compact development process continues to include its signature practice of a national consultative process with new guidance to partners that “meaningful, strategic, targeted and ongoing engagement with stakeholder groups is essential for setting investment priorities” (Lucas, 2011) is far more specific than the requirement in earlier documentation for “a national consultative process” (Millennium Challenge Corporation, 2003a). For example, as all aspects of economic life are included in the compulsory national consultative process, partners learn from MCC teammates the standards, methods and measurement methods necessary to build an impactful development program by responding to expectations for deliverables and being mentored in creating their processes for conducting, compiling and reporting on the national needs. This is an example of the design of the MCC model that was intended from the beginning.

The national consultative process yields the national development strategy (NDS),⁵⁸ from which the country proposal is developed. The compact development process (CDP) does not proceed until the MCC team has a proposal drawn from an acceptable NDS. While the community of practitioners comes together from MCC and the partner, MCC expects significant responsibility from their partner team members to

⁵⁸ Note that the USAID programs in Iraq required national development strategies; this research supported the literature, suggesting that USAID is learning from the very positive reputation MCC derives from this strategy and is either (1) adapting to avoid additional congressional mandates or (2) using the MCC language (Meyer's "vocabulary of structure") to obtain the trappings of legitimacy and preserve the good faith which only serves to validate existing formal structures.

prioritize investments, implement programs, conduct oversight and exercise accountability to its citizenry for the results (Lucas, 2011).

There is mounting evidence—based not on input metrics but on results metrics—that the MCC national consultative process works, even in the face of extreme political pressure from Congress to obligate the budget. In 2006, during the Morocco CDP, Congress was imposing significant pressure on MCC’s unobligated balances. A senior executive responded by applying internal pressures, saying, “I don’t care about the national consultative process, just get them the money.” However, the Country Team held firm to the standards of a broad-based national consultative process and sent the Morocco partner team back to broaden their dialogue. In so doing, they uncovered private-sector initiatives for artisans and entrepreneurs that resulted in an additional tranche of aid in a revolving fund—a new model for aid delivery within the MCC framework. This not only increased the size of the compact but also leveraged that new type of fund, building capacities and seeding private sector enterprises across the country.⁵⁹

Due Diligence and the Investment Memo. During the next stage, due diligence, MCC then reviews the proposal to gain situational awareness and begins to frame a development program concept by merging and linking different components that support each other. While the country sets their priorities, the U.S. government continues to hold a sort of veto power, as the MCC team must also focus on those partner priorities that are

⁵⁹ Field notes 2005.4, 2006.1, 2006.2 data from working relationships and interviews with the Morocco delegations to the MCC and the Morocco Country Team and later observations and interviews with Moroccan recipients of MCC aid.

aligned with the then-current U.S. political objectives and more likely to win congressional approval. The due diligence process is an extensive iterative process as the Country Team works together in a mutual mentoring process, supporting the creation of new practices and techniques to address the many unanticipated challenges as they prepare to align objectives to negotiate the mutually agreeable terms of a compact concept.

As program design begins to form, implementing practices begin to center on capacities—what exists, what is necessary and from what source to obtain it. As partner country members become more comfortable with the MCC requirements and international standards and are able to reconcile these with their existing practices, they are able to establish program baselines and continue screening for impacts, all of which are required for the investment memo. The investment memo is the document that is presented to the MCC Investment Committee, who receives an assessment of the proposed development program and its anticipated economic rate of return, poverty alleviation statistics, costs and anticipated impacts, that is, increases in incomes of impoverished constituencies due to economic growth supported by the investment in the compact.

Workplan (Program Design) and Institutional Arrangements. It is at this point, upon approval to proceed by the investment committee, that aligning practices becomes useful as the development concept takes form and initiates the process of creating the very detailed compact work plan. Mutual mentoring takes place in the program management process of identifying activities and tasking, staffing and timelines for each

project in the program as well as all monitoring and evaluation activities for each project, is included in the plan. Where more information is needed, or third-party arrangements made, these issues, called conditions precedent, are noted as compact-specific conditions that need to be resolved prior to entry into force, which is the decisive moment when the compact clock officially starts and disbursements from the compact account at U.S. Treasury can begin. This stage ends with a compact-signing ceremony and represents the transition from planning to implementation.

As the Country Team progresses through each of the stages of compact development, the partner team makes more informed choices about its own requirements and about how to maximize the potential of these requirements being met. It is usually during this stage that criteria and scopes of work for the many third-party contracts are cocreated based on MCC's fiscal, procurement and environmental accountability standards and the partner's limited capacities are addressed. Also during this stage, the congressionally mandated in-country Accountable Entity and its board of advisors are designed by the partner, in consultation with their MCC counterparts, to ensure the broadest representation of public and private sectors, minority groups and other constituencies.

Complications

What complicates this relationship on the U.S. side is stringent congressional directives for fiscal accountability and the need for expeditious results. This hypervigilance over accountability, also referenced in the USAID case, has led to overly conservative organizing practices—actual U.S. exceptions to some indicators of

progress—that undermine the philosophy of the Millennium Development Goals upon which MCC was founded. The pressure to meet congressional expectations for results, particularly based on metrics that are meaningless to the attainment of effective development results, is counterproductive to the value of the consultative process and to the private-sector growth that derives from unique Millennium Challenge Act authorities (J. W. Fox & Rieffel, 2005). Metrics such as the budget execution rate, the number of compacts, the total amount obligated, and the amount (dollar value) of compacts all ignore the strong monitoring and evaluation (M&E) methods that are incorporated into the MCC practices to address the absorptive capacity issues that underscore waste, fraud and corruption in a way that is antithetical to the directive for accountability. These arbitrary congressional expectations also undermine the ownership, leadership, financial oversight and accountability capacity that the U.S. claims to be seeking by funding this model. They do so by influencing the MCC oversight choices to substitute U.S. systems and/or methods as a shortcut to addressing reporting or processing requirements. For example, to balance this protection of U.S. taxpayer resources against waste and abuse, MCC, at least initially, implemented an undocumented policy of employing external fiscal and procurement agents for the control and disbursement of all MCC programmatic funding which also served as a shortcut for in-country processing and reporting on financial transactions, which thwarts much needed capacity-building for aid eligibility with other donors and graduation from aid to trade within the global economic system (Hyman & Kjaer, 2011; Natsios, 2010; Radelet & Herrling, 2003). See Figure 3 [Fiscal Accountability Elements (Flow Diagram)], which reflects the early thinking about the

organization of the accountability entity (AE) public financial management (PFM) function for each compact and highlights the roles of each party in the contracting and payment for goods and services under the compact. MCC controlled the funding by directly disbursing to a banking entity, under an MCC-approved bank agreement. Note that while the AE “approves certain contract actions,” the agents “administer the procurement process;” the actual hands-on flow of funds goes from MCC to the bank to the provider only, not through the AE. External agents, also under MCC-approved agent agreements, were seen as a necessary buffer between the partner and MCC funding.

That this policy was unstated subjected MCC to significant criticisms regarding the lack of guidance to eligible countries regarding MCC (PFM) proposal requirements and expectations, in effect causing significant delays in the proposal development process, with redundant due diligence and complications with compact development. Particularly on the fiscal accountability and procurement elements of the compact, MCC management would simply decline the proposal until the partner team proposed the fiscal accountability and procurement option of MCC’s undocumented and unstated policy—employing external fiscal and procurement agents—instead of using national systems.

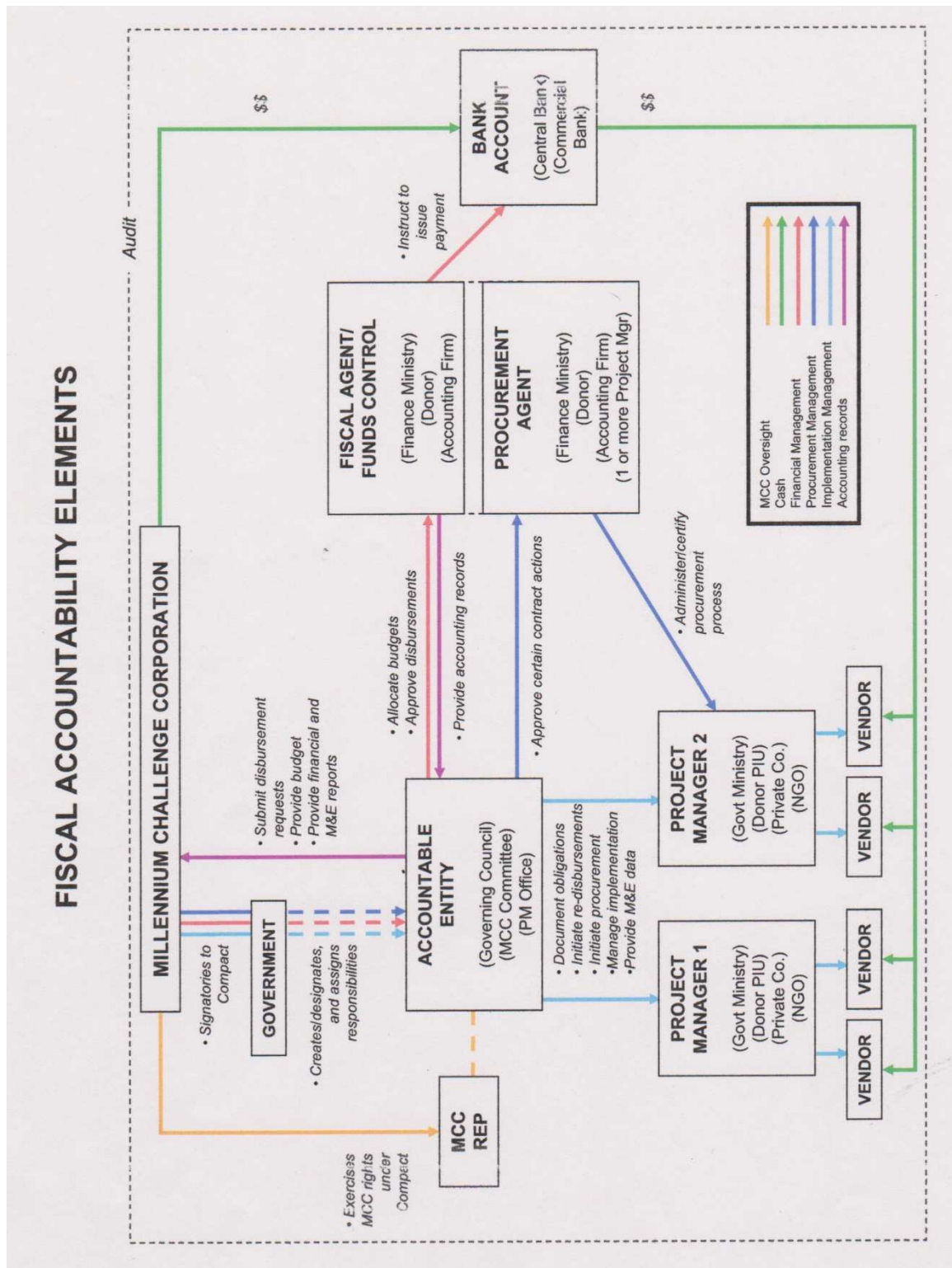


Figure 3. Fiscal Accountability Elements (Flow Diagram)

This process had tragic implications for Mali and Morocco, especially. Mali was forced to recompute and reevaluate requests for proposal for its PFM functions after it had explicitly followed the recommended process and specific procedures advised by MCC, dramatically undermining what little trust had evolved from the poor mentoring process of an inexperienced MCC team. This twice delayed the publicly announced compact signature timeframes (and amounts), creating political consternation that required intervention by MCC executive management on three occasions.

Morocco, with well-established PFM systems and a highly skilled, politically connected and assertive negotiating team, saw their compact delayed for months as they continued to strive to use country PFMs while not realizing, and not being informed, that third-party agents were going to be necessary to advance to compact signature. These complications reflect the complicating predicaments that can result from lack of transparency in objectives—when the rhetoric is disconnected from the reality. In the few instances where national financial systems were accepted for the management and disbursement of MCC funding, MCC required concurrent auditing of the national financial system.

Annual congressional budget execution pressures (Brown, Siddiqi, & Sessions, 2006) led MCC to refine this process. "I learned to frame boundaries and provide explicit guidance to MCC-eligible countries in order to accelerate the time-to-Compact signature and EIF, at the expense of larger budget justifications" (Lucas, 2011). With this new

explicit guidance, arguments regarding the dependency condition⁶⁰ reemerged as partners voiced frustration over the push for results at the expense of the crucial capacity building required to advance to full participation in the global economy, which supports the graduation from aid to trade. The partners' argument notes the timing problem inherent in donors setting arbitrary time limits to accomplish specific donor-driven results, in sovereign partner countries, without allotting sufficient time to create market mechanisms for local sustainability: "when the funding stops, the program stops and things go back to the way they were" (Millennium Challenge Corporation, 2011c). Using a clean-water example, the Tanzanian delegation cited the aid it received to bring clean water to communities: "while these water systems were helpful during the term of the aid, they faced deterioration and there was no sustainable mechanism to fund the replacement of degrading pipes." Without maintenance of the system, the same problem returned, illustrating the dilemma that is a consistent theme in the dialogue on aid ineffectiveness. In sum, partners and aid effectiveness principles reject the near-term push for "measureable results," such as some proportion of the population "now hav[ing] access to clean water" (Millennium Challenge Corporation, 2010b). The perceived altruism is overshadowed by the lack of long-term aid-funded solutions to establish local (market) mechanisms to sustain the long-term functionality of the initial investments. The Tanzanian representative summed up the argument by saying "we only own our

⁶⁰ The dependency condition is the criticism of current donor approaches to aid wherein the conditionality of the aid bypasses much-needed capacity building, leaving the partner in a state of dependence on aid, instead of the ability to learn, building local capacity and growing out of aid to trade. It is the third world's hegemonistic view of American aid.

development when we have graduated from aid” (Millennium Challenge Corporation, 2011c).

Advantages

Instrumental here are the relationships forming within the Country Team, which is made up of MCC staff, and the evolving future Accountable Entity (AE) staff. These two bodies serve as representatives of their respective governments in negotiating the program, which results from the interface between U.S. government expectations and the bounded authorities granted to the MCC on the one hand and the needs and capacities of the partner government on the other. What one observes is the cultivation of community—a community of practice (CoP) centered on the social process of learning the existent needs and capacities from each other in order to move toward a common objective: the design and implementation of a foreign aid development program of work with the specific purpose of alleviating poverty in the partner country by fostering economic growth. It is the social process of engagement between the two teams (the MCC and the partner) that supports the community in advancing to the next stage of the process, toward compact signature.

The Millennium Challenge Corporation (MCC) Country Community

Recall that the unit of measure for this research is the in-Country Team of U.S. and partner practitioners implementing the compact and that one of the fundamental principles of the Millennium Challenge Act and the Millennium Challenge Corporation’s implementation of the act is country ownership. To that end, the Country Community is made up of the Accountable Entity (AE) and its Advisory Board. Given each country has

unique development programs, each is different based on national prerogatives; however, partner teams are encouraged to organize around the projects that comprise their compact and fit the organizational model in Figure 3. The extent of MCC presence in country is limited to two full-time MCC staff serving as Country Manager and Deputy Country Manager. The MCC Country Manager represents U.S. interests on the AE advisory board as a nonvoting member.

The Country Team that executed the compact development process remains intact, and as part of MCC's delivery mechanism, mentoring continues into the field as it uses guidance on expectations, mutually defined deliverables, and planning for outcomes and impact on each component to forward the AE in executing the terms and meeting the conditions of the compact. Continuity is supported by the fact that many on the partner team, usually, serve as project managers working in the Accountable Entity for the projects they cocreated with the MCC team.

Unlike the traditional model that establishes in-country implementation offices, known in the industry as project implementation units (PIUs), staffed with U.S. staff to oversee and report on U.S. contractors implementing the U.S. designed intervention, the key to the MCC model is that the AE, staffed with all local hires, *is* the implementing unit and not just a reporting unit. The AE is different in that it ensures broad-based participatory management of the MCC compact, as in-country implementing bodies are accountable to the local management (the AE) and its advisory board, which is comprised of representatives across the spectrum of stakeholders who serve as a bridge between the partner country's government and its civil society. In essence, it is the Accountable

Entity, reporting to the partner government and civil society, as implementer and manager of the MCC compact.

Setting the Interagency Standard?

The Civil Operations and Revolutionary Development Support, (CORDS) was the foreign aid model designed to address the complexity of the Vietnam War. CORDS pulled together all the various U.S. military and civilian agencies involved in the pacification effort, including the State Department, USAID, U.S. Information Agency and the Central Intelligence Agency. U.S. military or civilian province senior advisers were appointed, and CORDS civilian/military advisory teams were dispatched throughout South Vietnam's 44 provinces and 250 districts. CORDS recognized the need for local cultural understanding (aka situational awareness) that was not a part of U.S. war fighters then current training. The need for civilian expertise in development, humanitarian aid, and diplomacy was deemed critical to the effectiveness of U.S. engagement in and with Vietnamese and neighboring countries. This was the justification for the organization of the CORDS model to coordinate the U.S. civil and military pacification programs. It was the first interagency civil-military [operational] structure (CMO) (Branson, 2009) to “win the hearts and minds” of the indigenous populations to engage with us, take our direction (aka “aid”) and assist in fighting the Communists." Then Lt. Colonel Philip Bolte explains his role as province senior advisor as well as the ad hoc and inexperienced staffing; multiple chains of command and reporting in both the U.S. and Vietnamese operations, lack of understanding of the local culture, institutions, and even the war effort itself."My assignment was to advise the province chief in military operations,

pacification efforts and civil affairs, which was virtually everything in that province.”While Bolte describes the failures of the model as a whole, he diplomatically acknowledges, “stuff got done.”However, was it the “right stuff” and was it done in a meaningful or effective way? Robert Branson, as District Senior Advisor of a CORDS unit in BaXuyen says:

the CORDS concept had great potential both then and now, but I think the next iteration should be distinctly separate with its own mission and internal resources. That would take a major rethink/reorganization, but it could work if we have the fortitude. Opinion, having operational control of the Vietnamese troops would have had an even more disastrous result...they knew how to fight, just had little to fight for.

How has this institutional memory informed the organization of the Provincial Reconstruction Team model which mission is the same? In the rush to respond to the events of September 11, 2001 and the Global War on Terror, the U.S. created another "new" model, intended as an integrated interagency approach (National Security Council, 2007) to the reconstruction of Afghanistan and Iraq: the interagency Provincial Reconstruction Teams (PRT). However, the institutional memory (Fukuyama, 2006) of the CORDS model and its challenges was lost on the current political leadership which implemented the same colocation strategy of civilian and military expertise with their independent organization, funding, and mission which simply replicated the stove-piped competitive organization of these departments in Washington, as it had in Vietnam. The question is not how similar CORDS is to the PRT; rather the question is have we learned

from the earlier experience to more effectively organize the PRT model, its implementation environment and its ability to apply institutional learning and best practices to have more effective outcomes?

The Provincial Reconstruction Teams (PRTs) in Iraq

Provincial reconstruction teams (PRTs) were established as a result of the need to develop the infrastructure necessary for the Afghan and Iraqi people to succeed in a post-conflict environment. ... PRTs have become an integral part of the long-term strategy to transition the lines of security, governance, and economics to the indigenous people. Integrated appropriately, PRTs serve as combat multipliers for maneuver commanders⁶¹ engaged in governance and economics, as well as other critical lines of operation. In addition, PRTs serve as force multipliers⁶² for U.S. Government (USG) development agencies engaged across the stability and reconstruction sectors. (United States Army, 2007)

The National Strategy for Victory in Iraq (2005) was organized under three tracks. The political track worked to forge broad support for democratic governance, a process led primarily by the Department of State and their mission to engage those inside and outside the political process for participation. The security track and its campaign to defeat terrorists and neutralize the insurgency was clearly a Department of Defense-led

⁶¹ The term "combat multipliers" refers to the extension of the military objectives through the use of civilian development programs as a tool of military engagement to "winning the hearts and minds" and buying influence with community leaders for the military "maneuver commanders" to exploit for their governance, economics and other (typically civilian) lines of operation, as was done in Vietnam.

⁶² The term "force multiplier" refers to the extension of development objectives within the military stability and reconstruction operations *implying* a mutual or coordinating function between the military and development agencies. Note there is no recognition of diplomatic activities.

operation. Finally, the economic track aimed at setting the foundation for a sound and self-sustaining economy, which process was to be led by PRTs (The White House, 2005). While the strategy clearly demarcated three different lanes, political, security and economic, it did not clearly stipulate lead positions, except for generic 'State Department is diplomacy, Defense Department is security and PRT is development.' The problem with this is that each of the three lanes had a development arm to its mission; that is, three concurrent organizational forms addressing the same development objectives under the stove-piped leadership of the Washington-based bureaucracies. USAID had its development organization as partially described in the USAID case; the Defense department, in addition to its security mission and the organizational structure of forward operating bases around the country to address those elements of the war, had a development operation in each province that will be highlighted in this case as it relates to the organization and effectiveness of the PRT. The PRT represents the State Departments' development organization as development is organizationally subsumed to the State Department. How these concurrent development operations affect the mission and effectiveness of the PRT is meaningful and sheds light on the external influences that created this competitive environment.

The PRT model has no legislative foundation, such as the Foreign Assistance Act or the Millennium Challenge Act; rather, the PRT uses a basket of legislation and Interagency Memoranda of Understanding to accommodate an organizational design deemed necessary for counterinsurgency in the U.S. response to the global war on terror. The requirements of U.S. operations in Iraq exceeded the U.S. military force estimates

(United States Army, 2007) for the U.S. mission to support a range of governance efforts⁶³ and to counter radicalization (U. S. Department of Defense, 2010).

While implemented under the coalition operations of the Multinational Force - Iraq (MNF-I), Provincial Reconstruction Teams are U.S. government organizations which fundamental organizing principle is the colocation of public servants from each of the three critical legs of the tripartite national security strategy that rhetorically elevates development to the same status as defense and diplomacy. The rhetoric also declared two lines of authority, the civilian mission went through Ambassador Crocker and the other through the military chain of command to the field commander General Petraeus. In all prior U.S. nation-building efforts, these two lines of authority were coordinated through a Country Team, chaired by the ambassador, as it has been well known by the U.S. Government that private (civilian) entities had the knowledge resources vital to all stages of nation-building recognized as extremely valuable, not only for the abilities they bring, but for the credibility (legitimacy) they engender (Ekbladh, 2006). However, with Iraq, the reality is that George W. Bush changed the strategy⁶⁴ for the occupation leadership from its historical tradition of coleadership and granted leadership solely to the Defense Department which lacked an overall interagency coordination (ibid). With this authority, independent (development) mission and management, exponentially more money, manpower - including military reservists to fill vacant civilian estimates on the PRT and

⁶³ Note the military continues to refer to governance as a military activity, when historically it has always been a civilian activity.

⁶⁴ This refers directly to the political strategy for engagement in Iraq (National Strategy for Victory in Iraq, The White House, 2005) (See Fukuyama, 2006 for detailed explication of this change in leadership and its implications).

an extensive physical presence, there was no incentive to coordinate, let alone collaborate, with civilian operations at any level or in any domain; rather the non-military operations were "force multipliers" for the military objectives and were managed as such by the military. The U.S. Army has a saying, "Each of us has a lane; I'll stay in mine, you stay in yours. If you cross into mine, I'll shoot you!"⁶⁵ This story depicts an institutional tradition that reveals much about the U.S. Army culture regarding command and control shedding light on the challenges of relations amongst the three independent, and separately funded development arms.

Without the "rethink" recommended by Branson of a national mission, mutually implemented under appropriations authorized for its "own mission and internal resources" how were the PRTs, a small operation relative to the DOD and USAID in this trilateral organization, to achieve more effective outcomes than did CORDS?

Meanwhile, rhetoric of the co-leadership team and the return of sovereignty to the Iraqis created the (mis)perception of a continuity in the historical precedent of actual co-leadership, with the (civilian) Chief of Mission, the ambassador, as diplomatic "lead" of the U.S mission now in a sovereign country. The diplomatic rhetoric describes this organization structure as civilian-military operations (CMO) teams that were to work toward common objectives that engaged directly with civil society in the partner country (U. S. Department of State, 2007b) within a unified effort to manage strategy, drive implementation (budget execution), resolve disputes and monitor security (Joint Chiefs of

⁶⁵ Field notes 2007.3, 2007.4; 2008.2, 2008.3; 2009.1, 2009.2 data from observations and interviews among active and reserve military, civilian Department of Defense contractors, State Department Lead and Senior Governance advisors.

Staff, 2006; The National Security Council, 2007). In *Interagency, Intergovernmental Organization, and Nongovernmental Organization Coordination during Joint Operations*, the Joint Chiefs of Staff use Meyers' (1977) "vocabulary of structure" to describe the circumstances for the "growing requirement for close coordination" using the "core competencies of the myriad agencies," coordinating military activities and resources with those of other agencies to achieve the desired end state" (2007:I-2). The National Security Council (NSC) expounds its understanding of the role of USAID, Department of State and the Department of Defense by stating:

these challenges require the integration of all instruments of US national power – economic measures to cut off terrorist financing, diplomatic initiatives to eliminate terrorists' political support, informational activities to combat extremist ideologies and military operations to take action against identified threats (2007: I-4).

While the policy rhetoric implies a whole-of-government coordinated operation, and the NSC delineates "lanes" of authority (and budget justifications), rhetorically placing defense, diplomacy and development on an equal footing, and according to earlier NSC language, USAID was the "development lead." This is highly confusing with USAID administratively subsumed to the State Department and the Defense Department in a precedent setting lead position in-country; each of which had independent development arms that had virtually nothing to do with USAID; NSC did not *require their coordination or collaboration; it was only implied*. There were no institutional incentives or mechanisms to *actually* integrate the work in the field; nor was there interagency doctrine to provide guidance on a common frame of reference about

Provincial Reconstruction Teams' (PRTs) core mission - or its relationship among the three development arms - and how to achieve any mission (Morrison & Hicks, 2008).

There are no policy or legislative instruments put into place to organize, fund, or operate such inter-agency operations as working entities, let alone a coordinated organizational form as recommended by witnesses to the CORDS debacle.

Without a legislative basis to frame the interagency engagements and to incentivize or provide disincentives for specific institutional behaviors, these three agencies were left to follow their own chains of command, strategies, policies and practices, all while colocated with the implied intent of effective communications, coordination and collaboration. However, the colocation of these agencies only served to intensify their competition, like dysfunctional siblings they pursued their respective missions to win follow-on years' appropriations and legitimacy.

Further, the description of "command relationships" has the military in a "lead agency" role, except for foreign *humanitarian* assistance: when the "Department of Defense (DOD) is tasked to provide civil support, its forces perform in a supporting role" (2007:I-4).⁶⁶ This policy raises interesting chain-of-command challenges as it does not address the unique circumstances of Iraq Provincial Reconstruction Teams (PRTs), where the DOD was also tasked to provide civil support for the non-humanitarian assistance from the PRTs⁶⁷ and their development mission. That the broader military mission also

⁶⁶ Though the military provides civil support, it does so only under the DOD chain of command instead of under diplomatic Chief of Mission authority.

⁶⁷ The Iraq PRT Civil-Military Operations responsibility included all the civil support for security and life-support measures as defined in the Memorandum of Understanding between the Departments of Defense

included supporting economic and governance capacity building created a direct conflict and competitive overlap with civilian mission objectives (Dale, 2009). To be very clear, the military mission vis-à-vis the PRT had a dual track: 1) the civilian-military operations/civil support (CMO/CS) for the civilian mission, and 2) military reserve members who had private sector experience filled the civilian estimate vacancies serving in sectoral divisions on the civilian Provincial Reconstruction Teams (charged with implementing the civilian strategy), but did not report through the civilian PRT leadership, rather to their military combat commanders.

Highlights of Implementation Practices

The Provincial Reconstruction Team was an organizational design serving as “front-line operatives” to engage directly with Iraqi civil society and comprised of diplomats, reserve military officers, development policy experts and other sectoral experts operating without interagency guidance, doctrine or a commonly implemented civilian-military framework for organizing a reconstruction mission (Ekbladh, 2006); yet representing a whole-of-government, integrated interagency approach to working with Iraqi sub-national civil society.

The civilian and military leadership, at each of four managerial levels, created a Joint Common Plan (JCP)⁶⁸, a strategy document discussing the U.S. development objectives traditionally executed by a civilian team. However in Iraq, the overlapping military governance and economic development mission was featured prominently in

and State, for life support in Iraq; none of the civil support was related to mission or security objectives, nation building, governance or economic capacity building. See also Footnote 49 for further explication.

⁶⁸ A Joint Common Plan was created for each of the four levels of rhetorical “joint leadership” between the Departments of State and Defense.

these plans, most notably by the unrealistic expectation of what development results could be achieved, reflecting the characteristic, if unwarranted, self-confidence of the classic development ideology (Ekbladh, 2006; Sutton, 2006). All of the JCPs were classified, available only on the SIPRnet (the military's secret Internet protocol) and unavailable to most of the civilians appointed/hired to implement the activities and strategies contained in them; creating an interesting dilemma. How were civilians, employed to achieve the objectives of the U.S. mission, supposed to know what to do if they did not have access to the very document that laid out their charter? This issue was raised often by PRT civilians and with civilian contractors who were criticized for not meeting objectives even though they were not allowed to see the strategic document that defined their objectives. There was never any resolution (through 2009) to this problem.

The PRTs were intended to dispense money for reconstruction projects to boost the legitimacy of provincial governments and their ability to deliver essential services to local Iraqis (U. S. Department of State, 2007b) which resources were separately funded by and reported to respective departmental headquarters in Washington. Given this model is an organizing framework of interagency operations that are separately authorized and appropriated, and without a legislative framework to incorporate best practices, it is worth inquiring into why such a new and untested model would so quickly and so significantly “become an integral part of the long-term *military* [emphasis added] strategy to transition lines of security, governance, and economics to the indigenous people” (United States Army, 2007), when its efforts were trumped by the overlapping military

development mission which funding dwarfed both the Department of State (DOS) and USAID budgets combined.

The implementing practices were the same stove-piped operations of the departments/agencies represented in Washington. DOS practices were based on the basket of appropriations authorizing DOS operations; the role of the sole USAID represented on the PRTs (except Baghdad) was intended to coordinate between the USAID provincial and district programs⁶⁹ and the PRT initiated programs to prevent overlap and encourage broad geographic coverage of anticipated Iraqi beneficiaries of the set of total U.S. funded development programs. The Department of Defense (DOD) members of the PRT had bifurcated practices depending on which part of the dual mission strategy they were supporting (1) civil support for the civilian PRT members, and (2) governance and economic development (traditionally a civilian function) and the many appropriations liberties afforded in baskets of funding appropriated to the DOD.⁷⁰ Reference to appropriations liberties here, is significant in that many of the baskets of DOD funding upon appropriation were declared exempt from congressional audit, and could be disbursed on the discretion of the local base/brigade commander,⁷¹ such liberties that were not afforded the civilian side of the mission. The baskets relevant for this case

⁶⁹ USAID provincial program was the Local Governance Program and the district program was the Community Action Program, both large contracts defined in the USAID case.

⁷⁰ Field notes 2007.3, 2007.4; 2008.2, 2008.3; 2009.1, 2009.2 data from working relationships, observations and interviews with Department of State leadership and staff of several operations offices of the U.S. Embassy; the Office of Provincial Affairs; Iraq Transition Assistance Office; twelve Provincial Reconstruction Teams leadership, management, and departmental staff; three embedded PRTs military and civilian leadership and staff, Civil affairs teams and U.S. Army Corps of Engineers.

⁷¹ There was a tiered authorization matrix, wherein Brigade commanders could spend up to \$250,000 per project without any other authorization. Authorization requirements elevated the higher the dollar amount.

are: excess DOD operations and maintenance⁷² used under brigade discretion for Iraq reconstruction projects, Iraq Reconstruction and Relief Fund (IRRF) expended according to a documented authorization process, and the opportunistic discretionary Commanders Emergency Response Program (CERP) funds.⁷³

The best example of effective interagency operations is that of the ePRTs, which stands for “embedded” PRTs, which were smaller civilian teams embedded within a military brigade deployed to a group of Iraqi (sub-provincial) districts. There were only three provinces in Iraq that had ePRTs and those that were accepted and integrated by the military into their units became the most highly effective units in Iraq. Embedded and visiting civilian development experts made significant efforts to train military civil affairs teams (CATs) and engineers within the brigade on issues of local governance: its organization, function, funding, priorities, and practices. They provided training on national and local culture (its organization, philosophy, tradition, manner of thinking, belief systems, expectations, fears, history); on the U.S. civilian mission in Iraq (its assumptions, priorities, purpose, organization, strategies, funding, and best practices); and on the structure of the Iraqi national and sub-national governance structures, economy, accounting systems, relations with neighboring countries, and Iraq’s position

⁷² It is highly unusual for Congress to authorize the use of DOD O&M (operations and maintenance) programmed funding on anything by O&M for U.S. troops. This reapportionment of funds is also illegal in other public sector transactions.

⁷³ CERP, the Commander’s Emergency Response Program, was initially funded with Saddam Hussein’s money found during the war and later by U.S. appropriations for the purpose of financing in-field projects. The U.S. Combatant Commander determined that CERP was necessary to gain influence with civil society and win legitimacy for the U.S. mission and the newly installed Iraqi government. This is an example of using development activities to further military objectives directly competing and conflicting with the civilian mission.

within the Arab community of countries and pan-Arab systems. This training proved vital to their ability to be flexible and adapt to information and situations engaging Iraqis civil society when civilians were unable to do so. Given funding and expenditure authorities the ePRT designed development (stability ops) programs in the field drawing on information obtained, usually, from civil affairs teams (CATs) interaction with the local population or higher level discussions with district officials and district representatives of national ministerial departments, such as the Ministries of Finance and Planning). The ePRT design was significantly closer to the end user, Iraqi beneficiaries and when used in conjunction with CATs cross-trained in civilian practices, the military CATs were invaluable force multipliers for the civilian mission in Iraq. Integrating superior military security, logistics, communications and manpower with civilian development expertise proved highly effective in identifying and resolving local Iraqi priorities in a way that developed Iraqi capacity and reinforced local government legitimacy, the objective of the U.S. mission in Iraq.

The PRT Country Teams

In Iraq, Provincial Reconstruction Team (PRT) leadership varied by location, ePRTs⁷⁴ and PRT-Baghdad being the exceptions, but the design was to have Department of State (DOS) team leaders, with a military deputy responsible for implementation of the Memorandum of Understanding between the Departments of State and Defense for civil

⁷⁴ PRTs classified as ePRTs are smaller units “embedded” with military units in sub-provincial locations (districts). The organization, leadership and chain of command are the same as for Afghanistan PRTs (A-PRT) which organization, mission, leadership, and funding were centralized under a military chain of command; including the single diplomatic and development officers assigned to the A-PRT.

support.⁷⁵ Though the mission was to devolve governance to sub-ministerial, more local levels, DOS strategic and operational decisions were made from its Washington-based headquarters.

There were four organizational elements that complicated this chain of command: (1) the PRTs were mostly located on forward operating bases (FOBs),⁷⁶ where the leadership and chain of command were exclusively DOD, and (2) the military members of the PRT were a reserve unit, some of whom had private sector experience and were replacing the lack of civilian development expertise by serving on the PRT departmental teams and reporting to their military chain of command instead of the civilian PRT Team Lead; (3) the vast majority of the State Department "employees" assigned to the PRT were actually contractors on a "special hire authorization"⁷⁷ to fill civilian estimate vacancies, and were called "3161s" for the clause that granted this hiring authority; and (4) there was a single USAID representative, usually also a special hire on two year terms, instead of a career development officer.

The complications were derived mostly from conflicts over overlapping missions and a lack of sharing knowledge, intelligence, contacts, and situational awareness. While

⁷⁵ Note this element of the military operation in Iraq was to provide civil support for civilian members of the PRT. This included security, coordination with the military for movements on military vehicles, housing, food, morale welfare and recreation, office support (Internet services, furniture, supplies). This civil support function was to serve as an interface between DOS and DOD procedures, and while the senior military member of the PRT was "deputy" team leader, they reported to their military chain of command, not to the PRT team leader. None of these activities were nation-building or capacity building or intended to interact with the Iraqis in any way; it is documented as DOD life-support for civilian members of the U.S. mission in Iraq.

⁷⁶ The small cadres of civilian PRT staff were dependent upon their military FOB hosts for everything from security, housing, water, food, communications, offices, transportation, supplies, absolutely everything.

⁷⁷ This legal authorization for 13 month direct hires is from clause 3161, hence the nickname given to DOS employees under this type of contract; they were called "3161's" and were much resented by career foreign service who were "paying their dues" and making half the salary of 3161s.

USAID was a member of the team, neither the military nor the State Department arms engaged with them except on a social basis. Any request for information, particularly the (purportedly vital)⁷⁸ national and provincial development strategies obtained by the USAID three-tiered IDIQ (indefinite delivery/indefinite quantity) contracts (presented in the first case study) was met with harsh competitive rejections to access. USAID could not provide the PRT with its own contract deliverables from its development arm, so they were obtained from the Iraqi Governors to whom the Local Governance Program subcontractors presented them.

Given there were never more than two or three career foreign service; one was the team lead and two others working to deploy DOS programmatic budget (scholarships to U.S. universities, teaching English, and perhaps some gender issues) the vast majority of the DOS-lead PRT "development" work⁷⁹ was being done by the State Departments special hire (3161) contractors; some of whom also work on USAID programs, and many without international experience.

The military reservists were assigned to sectoral departments on the Provincial Reconstruction Team (PRT), for example, reservist bankers serving on the economics team or reservist lawyers serving on the rule of law team. The military team members had access to the military resources on the forward operating base, and as a result could

⁷⁸ Recall from the USAID case the manner in which the National and Provincial Development Strategies were developed and that they consisted of a wish-list of hundreds of projects, which list each province was handing out to everyone and anyone who might provide them resources to implement. This becomes important when one understands that all three development arms were getting the same lists from each province; and each arm was adding its own priorities representing the competition to implement projects to execute their respective budgets.

⁷⁹ As opposed to the State Department's diplomatic mission.

engage more often and more freely with Iraqi civil society, and had more to offer, than the civilians. While these reserve units were “assigned” to the PRT, they reported to their military chain of command, which had its own resources and objectives and tended to engage with fellow PRT civilian development staff only when they needed guidance or counsel on development matters, otherwise they ran independent programs funded with military sources. While this could and perhaps should have provided a reliable interface for collaboration and coordination between the military and the DOS-led PRT (and the rhetoric suggested that it did), it instead fueled the competition for access and influence with the Iraqi provincial leadership, and legitimacy at home.

Figure 4, The organizational diagram of the PRT reflects the Department of State leadership of the PRT but does not indicate the coleadership with the senior military officer of the area of operation (AO), usually a region including multiple provinces. Essentially, this Department of Defense major-general was responsible for the entire military operation of multiple provinces and was the coleader of each of the PRTs in his AO.

While the beige box to the left of Provincial Reconstruction Team leadership indicates military personnel (the major was the “senior officer” of the military's civil support operation assigned to this PRT, while the Lt. Colonel handled special projects for the deputy team leader), these personnel reported to the *military deputy* team leader who had operational authorities independent of the team leader and was supposed to liaison/bridge the civil-military operations. Note the military membership amongst the ranks of sectoral teams; allegedly these appointments augmented sectoral staff to make

up for the “lack of civilians,” to fill these posting; instead they facilitated the military competition with civilians project responsibilities. Some not identified as “military” were in fact retired military.

Notice the similarities between the PRT organization and that of Figure 5 10MTN Division Economics Team Organizational Chart, this military unit was responsible for economic and governance capacity building over an area of operation that included Basra and Najaf PRTs. While not specifically identified on the official organizational chart of the PRT, all the sectors identified by the boxes on the 10th Mountain Division chart are also sectoral responsibilities of the PRT. In this example, unable to program all their excess operations and maintenance (O&M), the 10th Mountain Division unit based in Basra had come to Najaf to find projects to fund. Recall that budget execution was the “number one priority, after security... .”

Reference now, Figure 6 the Provincial Project Development Process Diagram depicting the Provincial Reconstruction Development Council (PRDC) Process Overview, which depicts the rhetorical interagency operational environment established to select (from the national and provincial development strategy⁸⁰) and fund projects for U.S. implementation⁸¹ of the Iraqi reconstruction. In an overall view of the slide, it appears as if the PRT (reporting to/through the Iraq Transition Assistance Office (ITAO)

⁸⁰ Recall also that the National and Provincial Development Strategies, were in fact, not "strategies" developed in any consultative process with civil society; rather they consisted of extensive "wish lists," itemizations of projects, usually by sector, that the Iraqi sought repair, reconstruction or wanted.

⁸¹ Please also keep in mind that the "Number one political priority, besides security, is budget execution (U.S. Ambassador Crocker, personal communications 2007-2008)" for which project implementation is required to drive the process of budget execution.

is central to this vital function in the reconstruction process. In the slide description, funds are "allocated" to Provincial Governments purportedly by the GOI (Government of

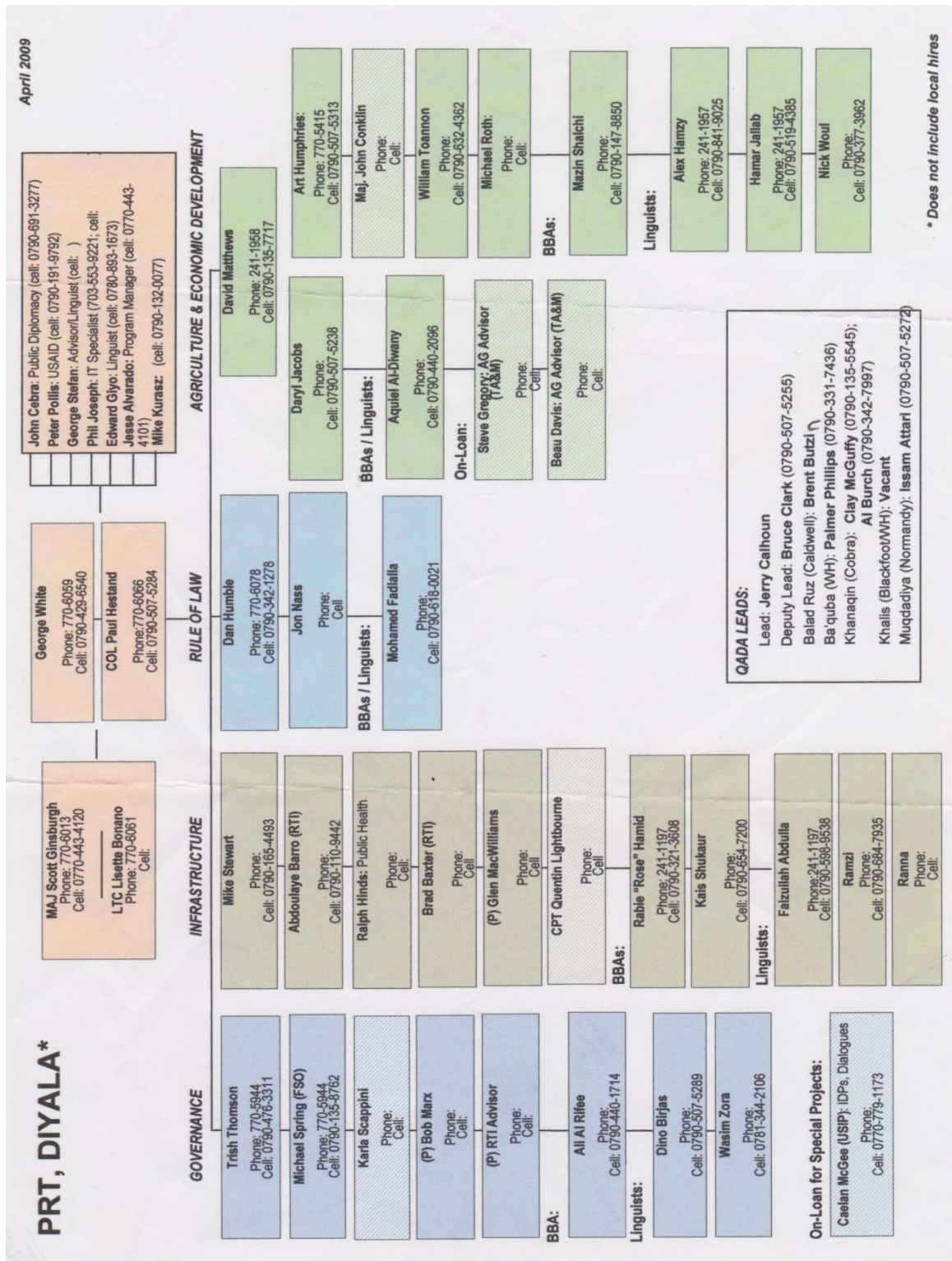


Figure 4. Organizational Diagram of the PRT

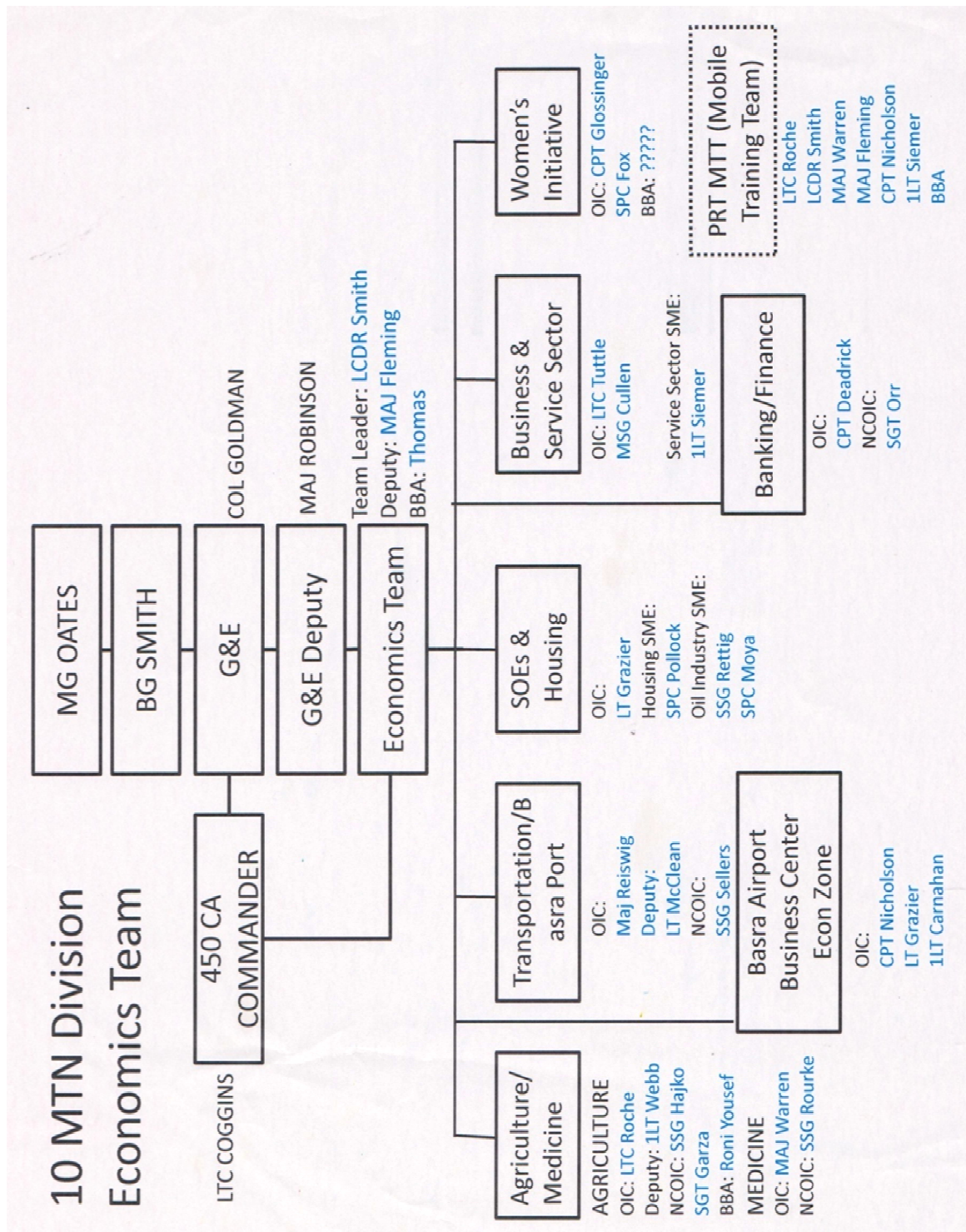


Figure 5. 10MTN Division Economics Team Organizational Chart

Iraq) for Projects and O&M.⁸² in the Project Development phase (pink shaded area). Note the presence of GOI Ministries, and "PRDC DG's (Director Generals)" which are the ministerial representatives assigned to each province (and district) interacting with the *legislative* Provincial Council. Note the Governor, the executive head of each province directly responsible for these activities, is not in the picture. Note also that "Project Management" is exclusively in the domain of U.S. operations (blue shaded area), primarily the civilian "National Embassy Team" overseeing the activities of the Iraq Transition Assistance Office (ITAO). Additionally, "Project Execution" is exclusively in the domain of U.S. operations (beige shaded area), primarily the military Gulf Region Execution (GRx) and their interaction with "Contractors/Vendors." The diagram also explains that the process is guided by "the PRT Provincial Program Manager" without identifying that person as a military U.S. Army Corps of Engineers (USACE) expert colocated with the Provincial Reconstruction Team(PRT), although not reporting to or through the PRT; rather reporting to the military USACE chain of command.

While the PRT appears to be the central liaison with Iraqi government representatives on the civilian side of this project based approach to addressing the reconstruction; there were undocumented, direct lines of contact from the military (see, in this case, the Gulf

⁸² Note inconspicuous corner reference to "IRRF" which is a reference to the amount of U.S. appropriations to the Iraq Reconstruction and Relief Fund (IRRF) allocated to this particular military Division; the Gulf Region. The significant issues here, are 1) the amount of U.S. resources relative to Iraqi contributions and the fact that Iraqi ministries had not accepted operations and maintenance (O&M) responsibility for projects executed by the U.S. which, in essence, was nearly all of the projects; though the rhetoric of the diagram suggests that the Iraqi are funding and maintaining these projects; and 2) there is no mention of the Department of Defense (DOD) programmatic budget for reconstruction, the Commanders Emergency Response Program (CERP) budget allocation or the DOD excess O&M allocated to Iraqi projects instead. These sums are in the hundreds of millions per province, with higher amounts going to Baghdad and highly kinetic (heavy fighting) areas.

Region Division (GRD) command, GRx and GRD, on Figure 6) to all the Iraqi governance organizations. The GRD flag officer, who reported through the military chain of command directly to General Petraeus (the Commander of the Multinational Force-Iraq) was also in direct contact with all Iraqi Ministries and co-chaired the Provincial Reconstruction Development Council (PRDC)⁸³ with members⁸⁴ of the legislative Provincial Council (in the Project Development - pink shaded area - of the process) bypassing the PRT leadership and staff altogether. The Gulf Region Brigade (GRx) which was executing the projects (and therefore, the budgets) had direct contact with ministerial Director Generals in each province for each ministry, also bypassing the PRT. The PRT served as a tool for the appearance of appropriate lines of communication and “lanes” of operation among the Iraqi and civilian and military agencies. It is important to understand the power relations, financial volumes and interagency chain of influence implications of this diagram to see the overwhelming U.S. military control of this process in each province and nationally.

⁸³ Please know that this name, the PRDC, is the name of an organizing body responsible for the prioritization and completion of provincial reconstruction projects. Each province had such an organizing body, albeit with different names depending on the U.S. military flag officer who oversaw its creation.

⁸⁴ Note the U.S. military flag officer co-chaired these provincial project councils with alternating Iraqi members of the Provincial Councils depending on Provincial Council committee chairmanships.

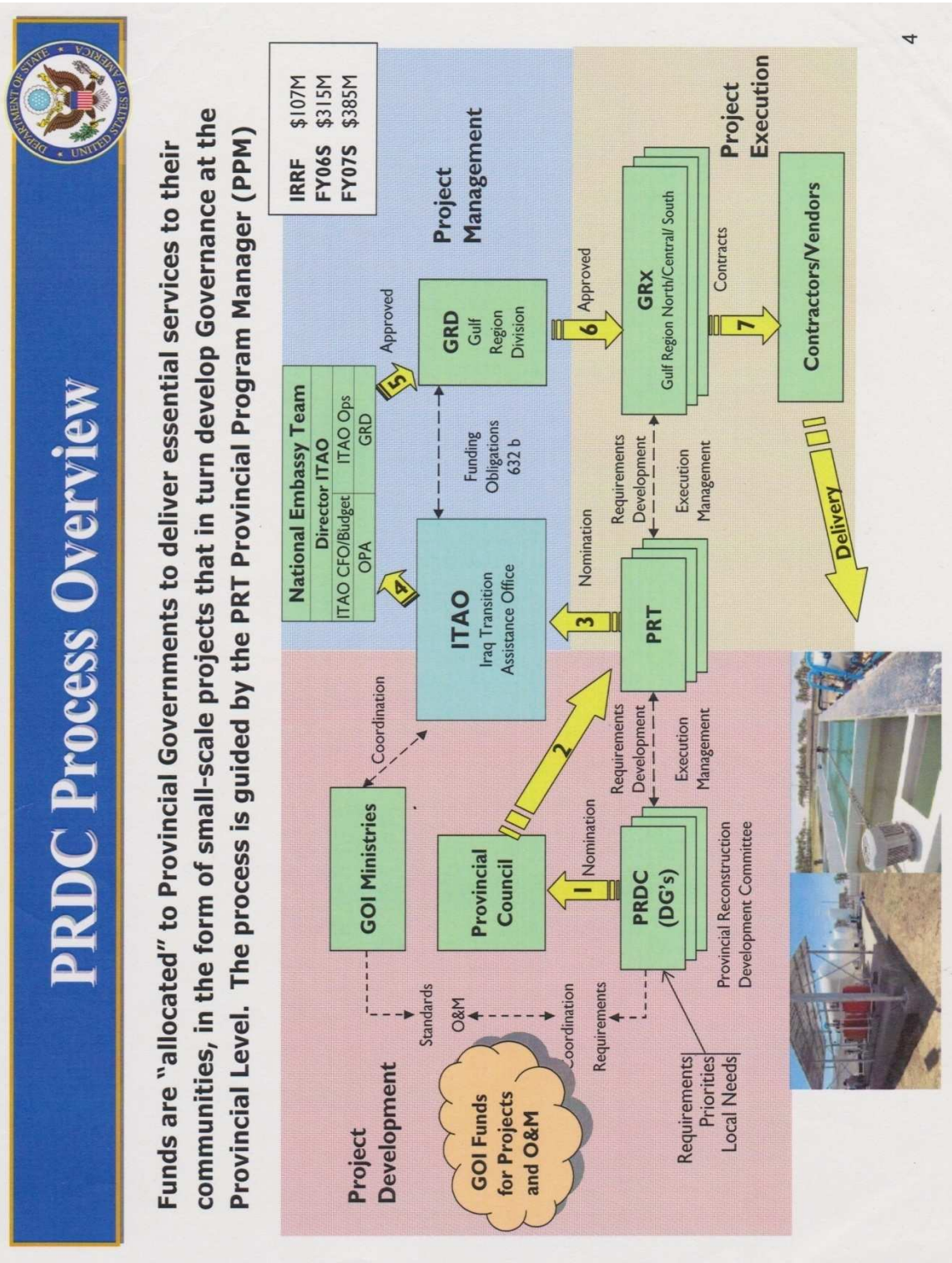


Figure 6. Provincial Project Development Process Diagram

In addition to funding and executing the Provincial Development Strategies "wish lists" of projects (which was to have been the domain of the PRTs), the U.S. military had their own extensive list of projects they were undertaking on their own (without Iraqi involvement, let alone concurrence) funded from one of the many lines of appropriations to the Defense budget. The PRT also had its own lists of proposed projects, which required Governorate approval, leadership, ownership and accountability to win Office of Provincial Affairs approval for access to very limited Department of State (DOS) programmatic funding.

CHAPTER 5: FINDINGS AND CONCLUSIONS

This chapter summarizes the research in response to the two research questions regarding the organization of aid knowledge-work and the use of Paris Declaration (PD) best implementing practices by the three U.S. models of aid delivery encompassing this research. Moreover, disconnects between the policy rhetoric and the reality of perceived or actual performance achieved unfold from the observations on how/if these best practices were being implemented

U.S. Agency for International Development (USAID) Organizing Knowledge-work

As we can see from the case study, the USAID's work is centered in Washington, driven by congressional budget earmarks and presidential directives for budget execution. The organization of aid knowledge-work is also centered in Washington, albeit not with USAID. That USAID is required to outsource the aid knowledge-work to the U.S. private sector contracts shifts this aid knowledge-work to profit-motivated U.S. implementing partners that have no contractual obligation to deliver anything but their "best effort," let alone transformative development results for U.S. partners. Using personal service contractors or the shortlist of corporate contractors identified in an IDIQ (indefinite definition/indefinite quantity) process, it is contractors who create the scope of work (SOW) proffered in official requests for proposals (RFPs). The RFPs are for implementing partners (contractors) to bid on the implementation of said scope of work

in a foreign country. These scopes of work are centered around the procurement of U.S. goods and services, and the administration of the resultant contract is USAID's practice, not the aid knowledge-work. That USAID administers programs that serve the basic needs of humanity is altruistic and representative of U.S. values; however, this delivery model does not have to be for the delivery of "aid;" rather, its organization and practices are applicable for any program requiring contract administration over technical logistics management programs.

The implementing partners selected for IDIQ contracts are the aid knowledge-workers that design a program of work their company can deliver, given limitations of the earmark or directive that funds it. That the contracts are of indefinite definition grants a degree of freedom to the implementing partner to consider local partner conditions in their design, albeit within the scope of the skill sets employed by that implementing partner. Where additional skill sets are needed, the implementing partner hires subcontractors as temporary employees for the term of the contract to attempt to fill the gap. However, with an undefined contract, the free-agent subcontractor designs a program of work within their personal skill set, regardless of partner priorities. While exposure to partner environments informs the process, the aid knowledge-work of program design is done by the contractor, not the partner. The congressionally influenced focus on reporting of procurement inputs and outputs as meaningful metrics keeps USAID in the tame solutions business when current foreign aid challenges require much more.

While the authorizing legislation remains the Foreign Assistance Act (FAA), even Congress ignores the purpose of the appropriations, as evidenced by (1) the appropriations technique that selectively changes the rules without changing the legislation (Rennack, 2010) and (2) appropriating without over-sighting the results in the field (Scappini, 2002), or at least not until it proves politically expedient. These two realities are telling and prescient for the future of USAID until the FAA is replaced, as these findings support.

While USAID's role in the U.S. foreign aid constellation of practice is that of lead U.S. agency for the delivery of foreign aid and the critical third leg in the tripartite National Security Strategy of defense, diplomacy and development, it does not have a seat at the table. It functions as agent to the overarching Department of State diplomacy agenda as a tool in the practice of foreign policy. The "traditional" model is more aptly called the U.S. procurement model.

USAID on Paris Declaration Best Practices

USAID on Country Ownership

While the USAID Forward Initiative, the latest in a very long history of organizational reforms, has initiated "new foci," the priorities are (1) its own internal policy and budget management and (2) a greater emphasis on public-private partnerships (PPP) and working with local governments and civil society. The first priority is an historically consistent top priority to address internal institutional inadequacies in reporting to Congress the data and success stories required to sustain annual appropriations. The second priority is the outsourcing mandate reframed from U.S.

contractors to PPPs made up of U.S. contractors and partner civil society; it does not change USAID's role in the knowledge-work. This research suggests that this scenario is precisely an example of Meyer and Rowan's (1977) use of "vocabulary of structure" to obtain the "trappings of legitimacy," undermining the need for real reform (Suchman, 1995).

The claim that these programs are "led by developing countries themselves" has become a euphemism for the adoption by developing countries of externally conceived policies: the development policies might, technically, be country-owned, but they remained donor-driven (Zimmerman, 2007). That these developing countries have agreed to implement programs of work designed in Washington to meet policy-based conditions, objectives and criteria required to conform with USAID appropriations legislation undermines the potential for country ownership, bypassing the Paris Declaration commitment to strengthen partners' capacities for leadership in coordinating their foreign aid, and avoids the process of developing national and subnational development strategies.

Even the latest program reforms represented by the new USAID FARA (fixed-amount reimbursement agreement) program, in which countries implement programs of work on their own for U.S. reimbursement after predefined deliverables have been met, are U.S.-designed SOWs without the benefit of partner situational awareness and overlooks the vital capacity building that comes with learning new/best practices or management; it is a simple payment for the predetermined value of U.S.-defined results which become success stories for Congressional reporting. Regardless of the rhetoric of

the "new model for development," which has been deemed more "business-like," has introduced an MCC (Millennium Challenge Corporation)-like⁸⁵ program cycle, and development impact metrics with "a relentless focus on results" (United States Agency for International Development, 2013d), the reality is that PD-defined partner ownership and leadership on all U.S. foreign aid funded through the traditional model, resides in Washington and not, as intended, with the partner.

USAID on Alignment

As we see from organizing principles reported in the case study, all knowledge-work is conducted by private-sector U.S. personal service or implementing partner contractors which use their own staff to execute self-defined scopes of work, and so the opportunity for partner engagement and learning in a cocreation process with U.S. contractors is missed. This bypasses the vital interaction between expatriate subject matter experts and partners necessary to develop partners' capacities, the primary focus of the alignment commitments in the Paris Declaration. This interaction is especially important for assessing the partners' baseline understanding in the area of national systems for donors to adjust the operational pace to the absorptive capacity of their partner counterparts. This process is skipped due to the external pressures of donors' arbitrary timelines for the accomplishment of the predetermined scope of work (SOW). This pressure is exerted by Congress through USAID to implementing partners and their subcontractors. If teaching of capacities information is done, it is in the form of

⁸⁵ The USAID Forward policy initiatives incorporated MCC-like development impact metrics as well as the public-private partnerships (PPP) model of the British Know-How Fund, both of which, individually, have higher rates of aid delivery effectiveness.

Western pedagogical presentation of information with the expectation that the students, in this case the partners, have the necessary prerequisites and understanding to apply the teaching within their local context. As Marcussen and Bergendorff (2004) point out, this is not the most effective way to increase capacities when aid interventions are confronted with local contexts, with all their ambiguity and fluidity, referred to as the "development interface." They continue by explaining that while particular outcomes are sought, results are more often unexpected and unintended consequences. This pedagogical approach is consistent with the modernist technocratic thinking that created the traditional model fifty years ago.

USAID on Harmonization

The Paris Declaration principle of harmonization is aimed at minimizing the transaction cost of delivery and receiving aid. The intention is for donors to work together to create common arrangements [for example, common reporting data and formats, joint project implementation units (PIUs)] while employing a division of labor—in this case, the knowledge-work of aid in particular sectors, based on donors' comparative advantages. For example, Holland is the world-renowned leader in water management, yet the U.S. continues to pursue large-scale water management infrastructure projects. While the USAID model has an entire U.S. implementation operation in country that performs all the PIU functions, it amplifies the costs of parallel PIUs because there is separate reporting required by each U.S. agency operating in the same country (recall the chaos in Figure 1). This seems antithetical to the common external performance pressures from Congress; however, each agency competes for the

better performance reporting to gain legitimacy with respect to the others. Regardless of which agency wins that battle, the reality is that U.S. agencies operating under the traditional model are accountable to Congress, not to other donors or partner government entities.

USAID on Managing for Development Results (MfDR)

As we can see from the Washington-based program design of this model, USAID reporting and monitoring frameworks are designed to address congressionally expected results by reporting on programs of work USAID intends to have delivered either by U.S. implementing partners or by country partners⁸⁶ in the USAID Forward Initiative. The performance metrics of this model of aid delivery compare inputs to outputs, characteristic of the view from the top scientific model of controlling performance by objectifying "truths" about simple outputs when what is truly relevant are measures of the social constructions that shed light on the vital sustainable processes appropriate for development impacts (Gergen & Thatchenkery, 2006). USAID Forward Initiative rhetoric claims to seek to measure outcomes, if not, potentially, impacts with independent impact evaluations; this harkens back to the literature on unconscious mimetic learning from the MCC model's increased legitimacy from their successful use of impact evaluations ((DiMaggio & Powell, 1983; Miner & Mezas, 1996; W. R. Scott, 2001). By "ceremonializing" the introduction of impact evaluations, the "vocabulary of structure," to obtain the "trappings of legitimacy" (Meyer and Rowan, 1977), USAID is avoiding

⁸⁶ To be clear about the terminology, "country partners" in this usage refers to partner country civil society entities that comprise the public-private partnerships of the USAID Forward Initiative.

real institutional reform (Suchman, 1995). Even if USAID were to conduct these longer-term impact evaluations seeking the U.S.-desired impacts from these Washington-defined metrics, the question becomes: to what end? While the metrics serve to create the "aura of legitimacy," they have missed the view from at least half of the prized knowledge resources (from the partner's view from the bottom), further legitimizing the existing formal structures. If the metrics cannot improve the program design because policy or appropriations restrictions remain the same or have become more entrenched by the manufactured legitimacy, then what good are they for improving the lives and capacities of our partners? They end up serving a useful public relations purpose to promote the survival of the current model simply because it is doing "good things," obtaining "results," using the same tone and anecdotal, and often manufactured, content seen in the "success stories" which won appropriations without meaningful development results,⁸⁷ thus continuing to promote and subsidize U.S. business interests.

USAID on Mutual Accountability

The self-contained U.S. operation in-country—while aimed at maximizing the beneficial impact of U.S. aid resources—is hampered by political and legislative controls making USAID accountable to Congress and not our partners. While the devoted, self-sacrificing staff at USAID do all they can within their legislative limits, they are prevented from delivering America's utmost, prevented from achieving the developmental impacts best suited to their professional expertise and passion; prevented

⁸⁷ See USAID Agency Performance Reports 1995-2000; Agency Performance Reports for Freedom Support Act 1996-2002; Agency Accountability Reports 2001-2007; Agency Performance and Accountability Reports 2003-2011.

from being the full DOD partner in the field in complex/even wicked environments because "they were the junior partner in the failing troika of [DoS], USAID and the military (U.S. Army executive officer)."

USAID on the Research Questions

1. Is the USAID using Paris Declaration best practices to achieve more effective aid impacts? As expected:
 - a. USAID practices *do not support* these country ownership principles.
 - b. USAID practices *do not support* these alignment principles.
 - c. USAID practices *do not support* these harmonization principles.
 - d. USAID practices *conditionally support* these MfDR principles.
 - e. USAID practices *do not support* these mutual accountability principles.

USAID's practices, in conforming to its institutional limitations and restrictions, prevent it from delivering more effective aid. While it learns from limited in-country impacts, even failures, USAID is denied the flexibility needed to adapt to local circumstances and prevented from in-process corrections in scope or practice that would make its programs more effective for our partners.

Millennium Challenge Corporation (MCC) Organizing Knowledge-work

As we see from the case study, the sum of all Millennium Challenge Corporation (MCC) operations is derived from a community, the MCC Country Team community of practice (CoP), consisting of MCC functional- or sector-specific experts in best practice and their Accountable Entity counterparts bringing situational awareness and culture, custom (practices) and relational connections between governments and civil societies.

While the highly structured process-based compact development process (CDP) appears to be an U.S. "box ticking," driving partners to U.S. implementation objectives instead of being truly responsive to local needs and capacities; the mutual mentoring that takes place throughout the CDP and implementation advances the knowledge of each member of the community and the partners' broader body of capacities to lead their own development in the future. There is a common objective: the design and implementation of a foreign aid development program of work with the specific purpose of alleviating poverty in the partner country by fostering economic growth. On international best practice, the partner is apprentice; on situational awareness, the U.S. is apprentice, and in each case, the apprentices gain experience through interaction and observation, a form of mutual mentorship. This mentoring process is critical to the sharing of knowledge on a common purpose, issues, challenges, and potential solutions that brings significant meaning and purpose to the community. While a formal global⁸⁸ organization in subject-specific communities of practice is absent from the MCC model, MCC University is a forum that brings together Accountable Entity team members from different countries where they benefit from each other as well as from the U.S. practitioners. This is the essence of the social construction of knowledge that constitutes learning within a local and sustainable context in foreign assistance.

While founded during the Millennium Development Goals (MDG) global discourse, the MCC does not espouse all of the practices prescribed in the Paris

⁸⁸ In this context, the term "global" refers to MCC staff and all Accountable Entity staff working in subject-specific areas creating a community of practice of broader inclusion, perhaps regionally, if not globally.

Declaration (PD); rather, it employs an U.S.-centric approach based on the U.S. political framework in which it operates.⁸⁹The rhetoric surrounding it's establishment called MCC a new ideology, a new paradigm for foreign aid delivery, one that embraces the more engaging wicked sociopolitical and cultural problems requiring recipient partnership, ownership and substantial involvement to define and design suitable programs:

With nearly half the world's population living on less that \$2 a day... Two years ago, President Bush and Congress established MCC to tackle this pervasive problem in a new way.MCC has one vital mission: to reduce poverty through sustainable economic growth in developing countries that govern justly, invest in their people, and encourage economic freedom....our partner countries must adopt and adhere to policies...address their problems through a broad consultative process...outline what our joint efforts should achieve....We will know that MCC has been successful in a partner country when we are no longer necessary.

Ambassador John J. Danilovich, CEO MCC, Testimony before Congress,
March 29, 2006

However, the reality is that even MCC employs a view from the top perspective by using MCC teams to determine “eligible components” of a country's aid proposal and referring

⁸⁹ See 4th High Level Busan Forum for the way the U.S. delegation renamed Paris Declaration principles, giving them a U.S.-centric definition, and succeeded in eliminating the PD principles of alignment and harmonization from the global dialogue entirely (Organization of Economic Development, 2011)

all “investments”⁹⁰ in foreign aid to the politically appointed MCC Investment Committee, which subjects them to the administration’s political objectives.

The political aim of the Millennium Challenge Act (MCA) was to provide a big enough incentives to enlist policy reform to advance the cause of poverty reduction; however, the unexpected accommodation for partners lacking capacity and the influence of congressional hypervigilance on accountability and corruption limited the flexibility of MCC’s institutional arrangements to apply Paris Declaration principles. These self-imposed, congressionally imposed limits led to much smaller compacts than politically desired and continue to stifle the opportunity the MCA provides for a truly transformational development delivery paradigm. Appointees, preoccupied with the congressional metrics of compact size in order to justify the sizeable appropriations intended for MCC, continue to “invest” in large-scale infrastructure⁹¹ programs to meet their aims, like pouring more water down a broken pipe. Meanwhile, the MCC Teams⁹² have cocreated alternative approaches to address the political investment objectives while simultaneously maintaining a commitment to poverty reduction and meaningful development results. Instead of delaying Entry Into Force (EIF)⁹³ (and therefore, budget execution, tying up U.S. appropriations longer than acceptable to Congress) until all proposals have vetted and passed due diligence and the compact

⁹⁰ The use of the term “investments” is how MCC refers to the projects they select to fund from the partner’s proposal for MCC grant funding. For example, selecting to fund an infrastructure project to build a dam will be called “an investment in national infrastructure.”

⁹¹ The most notable very-large-scale—i.e., large dollar volume—water management infrastructure project was the MCC Oasis project in Morocco, where the Dutch had a comparative advantage. However, collaboration never materialized; MCC funded the entire project.

⁹² Recall that the Country Team is comprised of U.S. and partner members.

⁹³ Entry Into Force (EIF) is the time at which the appropriations clock starts on the compact grants.

development process, there are suggested MCA reforms that could allow for larger obligations within partner capacity considerations; namely, concurrent compacts.

However, in typical view from the top fashion, this and other⁹⁴ cocreated solutions have been rejected by Congress as they continue to complain about large unobligated balances and slow execution, though not about MCC performance. There are legitimate concerns that concurrent compacts could result in project-based approaches overshadowing the incentivizing mechanisms inherent in the MCC model. In other words, if partial compact funding was released before additional policy reform concessions were obtained, that would minimize the incentivizing effect of the much-larger-dollar-value compact.

However, the Accountable Entity (AE) as the implementing body, not a reporting PIU, is the vital link to the implementation. Because the AE serves as a sort of pilot, learning/cocreating national skills for defining national development challenges, designing appropriate programs to address partners' unique challenges and gaining practical experience implementing development programs in partnership with MCC, it is intended to become a long-standing "Department of Development" for partners' national development strategies. This is all the more reason why it is critical to fully utilize the flexibilities of the MCA to implement Paris Declaration best practices in MCC compacts from the outset.

MCC's role in the constellation of U.S. foreign aid practice (COP) is as the newcomer, the apprentice, which the literature would suggest makes it highly susceptible

⁹⁴ Concurrent compacts is just one of several proposals to reform MCA that were cocreated within the Country Teams. Concurrent compacts would allow individual proposals to advance to compact signature before other components of the development program are ready.

to isomorphic pressure from other agencies with significantly longer histories and established practice. However, these histories are accompanied by significant challenges and entrenched bureaucratic processes resistant to change during a period in our global history of significant transitions. This research has shown MCC capable of withstanding external forces and setting the example which other U.S. agencies are beginning to adopt, at least in name if not practice: namely, the Departments of State and Defense [see PRT (provincial reconstruction team) findings] and USAID. While the 21st-century trend-setter, MCC is not exempt from institutionalized customs and bureaucratic expectations, especially those of the appropriator. Congressional pressures for early (or expeditious) budget execution and partner results that substantiate the appropriations have forced institutional changes consistent with the limitations of the USAID model. The most profound change is the sacrificing of longer-term capacity building in exchange for congressionally expected results reporting. How this manifests is that U.S. systems and/or practices are substituted for the current shortfall in partner national capacity, a capacity which is necessary to uphold country ownership and achieve positive impacts aligning to national systems. This is especially true of the public financial management systems which are vital for partners' future engagement with other donors and graduation from aid to trade by achieving internationally acceptable standards of practice in governance, financial and procurement management, accounting and transparency. These substitutions undermine the Paris Declaration (PD) principles. While these substitutions were extant upon startup, new boundaries have been set to institutionalize the substitutions, or downsize programs, to yield more timely results reporting. This lends support to the

argument that while policy may be country-owned, it is still donor-driven (Zimmerman, 2007).

Even with only partial adoption of PD principles, MCC exemplifies the significance of development outcomes and impacts that can be achieved using best practice in organizing for aid, as well as for its implementation. The community of practice (CoP) that is the Country Team has by far exemplified this best practice, so much so that the newest model in the COP, the PRT,⁹⁵ used the CoP ideology as its founding principle, at least in concept, although with disastrous results stemming from congressionally mandated mission overlap and appropriations limitations and liberties.⁹⁶

Other MCC influences on the U.S. foreign aid constellation of foreign aid practice include the State Department's (DOS) foreign aid framework, which aligns with the MCC selectivity criteria and the evidence-based results management framework, setting the standard for monitoring and evaluation (M&E). The DOS first Quadrennial Review (DOS, 2010), while using different nomenclature, included many of the MCC principles⁹⁷ as the "way forward"; even USAID's reform agenda, called the USAID Forward Initiative, renames USAID implementing practices in line with PD/MCC language.

⁹⁵The MCC CoP organization has been adopted by the U.S. military, especially the U.S. Army Center for Lessons Learned, which created a global network of "communities of practice" for forward guidance to field operations.

⁹⁶ However, the U.S. Army has a very broad network of internal communities of practice to facilitate institutional learning. While the network exists, the institutional learning that takes place is highly questionable and appropriate for a separate study.

⁹⁷ The usage of the term "MCC principles" instead of "Paris Declaration (PD) principles" refers to the way the U.S. has defined PD principles to suit U.S. political objectives, which changes the definition, meaning, intentions and implications of the principles.

MCC Incentivizes

MCC has been known as the "incentivizing model" due to the significant advantages of the five-year (longer-term) untied grant that incentivizes partners to improve policies aligned with U.S. values and ideology. Upon field observation, it becomes evident that the entire implementation modality is an incentivizing model (the carrot); however, it comes with a very big stick. MCC incentivizes policy reforms with the opportunity to obtain very large, up-front-funded, untied, long-term grants that are predictable and supports partners' national development strategies (NDS). MCC incentivizes good practices, integrated into the compact development process (CDP) and the implementation of an MCC compact, with guidance and expectations (accountability) for specific results that bring government legitimacy with civil society through transparent M&E. MCC initially incentivized good performance, regular progress toward planned goals and the partners' political will to make policy reform by using the "tap," or the flow of U.S. funding. As MCC learned from experience from earlier compacts, there are now additional incentives in the form of more specific criteria and practices, which risk a stop in the flow of funds. While the carrot has proven effective in its objectives, there is increasing pressure beginning to limit the carrot and enlarge the stick. Budget cuts, the continuation of large unobligated balances and the lackluster performance of the Threshold Program—a program defined by MCC but designed and implemented under the USAID model—pressured the creation of "more specific guidance," limiting scope to those programs with predetermined measureable outcomes/impacts. This new guidance is added to the initial design of the stick, which included selectivity criteria and maintaining

that eligibility, specific up-front policy reforms, a national consultative process, committed national resources, transparency and accountability to civil society. Much like USAID's "Success Stories," MCC's "Fact Sheets" serve as tools to sustain public and political support for maximizing appropriations. This specific guidance is also the tool for pulling out the stick, i.e., the downsizing or complete defunding of a program for lack of expeditious progress toward measureable results reporting to Congress, suggestive of the isomorphism that can take place with common external pressures such as a common appropriator. The MCC incentivizing model is more aptly called the community model.

MCC on Paris Declaration Best Practices

MCC on Country Ownership

The freedom from directives and earmarks and the "five-year money"⁹⁸ allow MCC to be responsive to partner priorities in virtually any sector, supporting the resolution of longer-term, complex, even wicked, challenges. Congressional expectations to expend and report budget execution metrics applied institutional pressures to obligate larger balances ignoring strong monitoring and evaluation (M&E) methods designed to address absorptive capacity issues, which underscore waste, fraud and corruption antithetical to the congressional directive for accountability. This is much like wanting to force more water down a broken pipe without fixing it and expecting there to be no spillover. Effectiveness is not about the amount of money spent, it is about *how* that money is being used to effect change or achieve sustainable outcomes/impacts.

⁹⁸ The expression "five-year money" refers to the term of appropriations under MCA and the fact that the full compact amount is funded, up front, upon compact signature. This does not mean the funds are disbursed; rather, they are deposited to an MCA-country account at the U.S. Treasury from which quarterly disbursement are made according to the preauthorized process.

Expanding the 609(g) funding phase as a means of mentoring in MCC specific capacities represents a critical stage in development of partners' ability to own their development policies, strategies and practices, in support of building partner capacities to actually lead the coordination of all donors and the entire community of actors in their development field on national systems as that capacity builds.

From the case study findings, we see that the NCP is vital, and unique to MCC, to facilitate a better understanding of the national development needs and forge a U.S.-partner partnership; however, this process does not influence the politically appointed body of the U.S.-only decision makers who are influenced by powerful external, political influences regarding the types of projects to fund and volume of funding based on political priorities rather than developmental needs. Undermining country ownership is this U.S. political practice of gaining project-specific approvals by an MCC investment committee and compact approval from Congress. The proposals submitted to MCC are used as project ideas from which the U.S. can build programs to their liking for political purposes within U.S.-defined application of the Paris Declaration best practices and aligned with U.S. political objectives.

However, the Accountable Entity (AE), with its Advisory Board, as the owner-implementer reflects the intent of the Paris Declaration's leadership, oversight and accountability capacity building as in-country implementing bodies are accountable to the AE, which is comprised of partner representatives across the spectrum of stakeholders, enforcing a vital vertical integration between partner country and its civil society.

MCC on Alignment

While MCC has set the trend for country ownership, addressing partner absorptive capacity, longer time horizons, untied aid and evidence-based results management, and has even borne the wrath of Congress with large unobligated balances, the case study reveals that MCC has not taken up the cause of encouraging the use of national systems—especially public financial management systems (PFMs)—bringing the full force of MCC’s influence on U.S. aid delivery mechanisms to this most critical capacity limitation. While MCC does use some national systems, it has not taken a stand for this one critical capacity required for future advancement from aid to trade by having the capacity to engage with the global economy with internationally acceptable (financial) systems.

MCC on Harmonization

The case study sheds light on the Bush Administration’s motives for using presidential directive authority to bypass an unruly divided Congress to effect change in the U.S. aid strategy. Instead of addressing meaningful institutional reform of USAID, which requires congressional engagement, MCC was to create a new paradigm in aid delivery. However, political will, let alone legislative authorities, has not supported institutional changes necessary to incentivize and effect common arrangements and simplified procedures: the Paris Declaration principle of harmonization. That is not to say

that MCC does not make the effort⁹⁹ to coordinate with other donors in the field; however, it cannot institutionalize measures to effect this harmonization.

The ideal mechanism to harmonize donor programs and activities is to use national systems, a function of alignment. That the Accountable Entity (AE), a government entity, and the decision-making body with authorities and accountability for the implementation of the MCC compact may not use national systems is the higher cost of congressional hypervigilance over compact funds. This conditionality prohibits partner ownership of its own development by using the AE to harmonize all donor activities on national systems if the partner government were to provide that kind of leadership.

MCC on Managing for Development Results (MfDR)

MCC sets the foreign aid standard for MfDR with rigorous, evidence-based evaluations and independent impact studies. An important component of this process is very clear distinctions about the definitions of common foreign aid language that are used, out of context, in the rhetorical policy debate. The published example is:

“a proposal to provide training to farmers in new cropping techniques would link inputs (farmer training) to outputs (number of farmers trained) to outcomes (number of farmers adopting new farming practices) to the projected impact (higher local incomes) of adopting farmers.” (Lucas 2011, underline added)

That MCC makes distinctions in the results framework has raised the bar on understanding meaningful development results. The calculation of MCC-defined

⁹⁹ However, it took the Chief Executive Officer's approval to even talk to the Dutch about possibly coordinating on a project in Morocco, and it never materialized; MCC funded the entire project

outcomes and impacts is wholly consistent with PD best practice for reporting meaningful development results.

MCC on Mutual Accountability

The transparency component of the Paris Declaration principle of mutual accountability is where MCC has been allowed to set the standard. In terms of transparency and predictability of aid flows, the MCC practice of requiring preplanned procurement budgets with the specific guidance and mentoring on how to accomplish this has not only provided much needed capacity building but has also made MCC compact flows completely predictable—pre-planned, the policy on national systems notwithstanding. The extensive volumes of data and analysis, methods and evaluations that are publically available support MCC's commitment to transparency.

MCC on the Research Questions

1. Is the MCC using Paris Declaration (PD) best practices to achieve more effective aid impacts? As expected, most of the PD principles are supported by the MCC model; however, there are some conditions to the alignment principles, and while some effort has been made to harmonize on a project-by-project basis, MCC fails to support harmonization principles. Findings, therefore, are:
 - a. MCC practices *do support* these country ownership principles.
 - b. MCC practices *conditionally support* these alignment principles.
 - c. MCC practices *do not support* these harmonization principles.
 - d. MCC practices *do support* these MfDR principles.

- e. MCC practices *do support* these mutual accountability principles.

Provincial Reconstruction Teams (PRTs) Organizing Knowledge-work

The PRT model is not lacking strategy and political objectives; it is missing *interagency* strategy, objectives and common operations. Consistent with the stovepiped separation of functions in Washington, each of the colocated operations of Departments of State (DOS), Defense (DOD) and USAID operated under their own strategy, objectives and implementing practices and under their separate chains of command. This created an in-field competition over "lanes," access to and influence with Iraqi leadership at ministerial and provincial levels and legitimacy in the U.S. political arena. That the National Security Council established and Congress funded overlapping missions complicates the interagency work in the field, despite the use of common foreign aid language and the "truthiness" of policy documents that make personalities and "collaborative instincts" the determinants of mission outcomes (or lack thereof) in the field. Declaring the need for interagency coordination, even the policy directive calling for it, did not make it so.

The level of political priority granted the PRT strategy was undermined by the amount of funding and mission priority given to the military's overlapping reconstruction, nation-building, governance and economic development mission. Had there been more balanced funding and harmonized missions between the PRT's operation and the U.S. military, this model might have represented an early evolutionary stage of a process of integrating civilian and military operations. The PRT's mission, strategies and objectives were all directed from the Washington-based leadership, where there exists a

fundamental disconnect between the Defense Department (DOD) and State Department (DOS)/USAID definition of civil-military operations, the relationship of military civil support to civilian operations and the all-important organizational issues related to chain and unity of command. The National Security Council's "vocabulary of structure" (Meyer and Rowan, 1977), using common foreign aid terminology as unifying language, is only a first step, as if stating the Paris Declaration (PD) best practices by including PD language in the political rhetoric brings them into existence. The organization literature discusses at length the survival instincts of organizations ever more competitive in a constellation of agencies vying for the same scarce aid appropriations. The DOD operations and maintenance (O&M) budget and the U.S. appropriations for the continuation of the Commander's Emergency Response Program (CERP) after Iraqi war booty was exhausted greatly increased the size of the foreign aid appropriations pie, despite the fact that all the growth was allocated to DOD instead of an interagency pool of funds. With this imbalance of funding to mission and the absence of a pooled funding mechanism for interagency operations, there was no incentive for interagency communication, let alone collaboration and coordination. Without interagency doctrine, establishing the unity and chain of command and the interagency design with shared funding and personnel, and without meaningful metrics indicative of collaborative work outcomes, there was only a strong—even aggressive—competition. The cultural context of each agency greatly impacted their perceptions of the practices in place and their (relative) effectiveness. USAID and USACE,¹⁰⁰ which had very practical, "keep it simple" cultural contexts,

¹⁰⁰ U.S. Army Corps of Engineers.

agreed; however, these two agencies are subordinated to DOS and DOD, respectively, where the cultural contexts were virtually opposite, contributing to the highly charged competition among their personnel and preventing interagency harmonization.

The PRT's role in the constellation of U.S. foreign aid, is a hybrid and is more accurately described as the competitive model. The PRT is not an agency with its allocation of appropriations, like the USAID and the MCC; rather, it is a political tool to achieve objectives that fall within the foreign policy/foreign aid domain without addressing the accompanying practices necessary to effect intended outcomes, let alone effective ones.

PRTs on Paris Declaration Best Practices

PRT on Country Ownership

While U.S. civilians were touting the U.S. model of civilian leadership over military, the Iraqi observed the U.S. military's overwhelming dominance in all aspects of provincial affairs. And while military doctrine acknowledges the preeminence of country ownership, the practice of it in the field was its complement of local situational awareness for the U.S. military operations and, when necessary, obtaining an Iraqi signature on U.S.-prepared procurement/project documents for the military's provincial operational plans.¹⁰¹ This practice, in effect, removed any ownership or accountability of the Iraqi government to its citizens, setting the stage for the use of U.S. operations as the scapegoat in internal political power struggles.

¹⁰¹ Field notes 2007.3, 2007.4, 2008.3, 2009.1 and 2009.2.

PRT on Alignment

The PRT initiatives to create Iraqi Centers of Excellence in government, communal farms, chicken farming, civics and project management training and whatever skills in which the State Department special hires, who were development contractors (referred to earlier as 3161s), were personally knowledgeable are examples of the types of programs being designed by the PRT to address local needs the U.S. civilians thought they could address. The Iraqis' perceived needs were being addressed by the independent military operations, two examples of which were provided in the case, namely, the PDRCs¹⁰² and JPRCs, across the country using the military operations machine of Project Management Offices with geospatial technology and intricate program management, none of which the Iraqi or most civilian advisors had access to. The output of these operations was project lists, PowerPoint presentations, activity lists and time schedules that were used to run the provincial meetings, making it clear who was driving the operational pace and controlling the systems, information and implementation without regard to local priorities, capacities, or sensitivities.

PRT on Harmonization

There were no harmonizing activities, no common arrangements of joint procedures with the Iraqi or other donors. Allocation of provincial reconstruction was divided amongst the U.S., UK, and Italian PRTs, each organizing and operating according to their own institutional arrangements.

¹⁰² Provincial Reconstruction Development Council (PRDC) and Joint Provincial Reconstruction Council (JPRC).

PRT on Managing for Development Results

PRTs, under the military, started with a well-designed and comprehensive assessment model that provided a common frame of reference for evaluating conditions on the ground, though not PRT performance. As the PRTs shifted to rhetorical civilian leadership, this model evolved into the "maturity model," which served as a PRT self-assessment tool to report "successes" back to Washington, although this was a subjective appraisal of conditions with the Iraqis. There was no coordination with nongovernmental organizations or even with USAID provincial and community programs [local governance program (LGP) and community action program (CAP) IDIQs] or staff—except in Baghdad, where a few key civilian advisors were dual-hatted, assigned to both the LGP and the PRT.

Each agency represented in the PRT, as well as the separate military mission operations, utilized the standing policies, mechanisms and practices of their respective departments, with a complete absence of monitoring and evaluation framework of Iraqi conditions, let alone an integrated interagency framework. There was no analytical, evidence-based accomplishment; rather, the results that were reported were input/output metrics important for U.S. budgeting and its justification, accompanied by a truthiness narrative to promote the most positive appearance of progress. Nor was there a recognized-as-legitimate Iraqi institutional framework by which results could be monitored or evaluated other than the need to have thousands of projects paid for by coalition (predominantly U.S.) resources and complaints, to any U.S. personnel who would listen, when projects were not being completed or addressed in a manner preferred

by the Iraqis. Consistent with transitional environments, the lack of locally enforceable institutional mechanisms and an effective rule of law lead to opportunism created by the oversight void; "desperate people do desperate things."

PRT on Mutual Accountability

The U.S. reconstruction mission in Iraq was a U.S.-funded, project-based program implementing U.S. priorities using U.S. tools and practices to the extent practicable. There were no national systems available for U.S. use, given that policy directives, legislative limitations and the preeminent pressure to execute budget took prominence over national priorities, essentially removing timely, transparent and comprehensive information flows to a nonexistent, or very new, legislature and its citizenry. A coordinated project implementation process was complicated by the institutional rules placed on the appropriations by non-development legislators (separating the three tracks of the mission) and the lack of any integrated interagency practices. Iraqi assessment of U.S. commitments came in the form of oversight reporting on what had/had not been delivered by the U.S.'s "as promised." The all-consuming political pressure to execute drove the operational pace and the payment of service providers, regardless of quality or sustainability.

PRT on the Research Questions

1. Are PRTs using Paris Declaration best practices to achieve more effective aid impacts? As expected:
 - a. PRT practices *do not support* these country ownership principles.
 - b. PRT practices *do not support* these alignment principles.

- c. PRT practices *do not support* these harmonization principles.
- d. PRT practices *do not support* these MfDR principles.
- e. PRT practices *do not support* these mutual accountability principles.

CHAPTER 6: POLICY IMPLICATIONS AND FUTURE RESEARCH

Support for the Theoretical Model

Chapter four treated each of the three models separately. This section refers back to the theoretical underpinnings of this research that organizing foreign aid knowledge-work in a way that supported the implementation of Paris Declaration best practices would shed light on the aid delivery effectiveness of the different models examined.

Cross-Model Comparison of Findings

Organizing Knowledge-work

The U.S. Agency for International Development (USAID) and Provincial Reconstruction Team (PRT) models are similar in their organizing of knowledge-work by U.S. intra-agency teams responding to U.S. policy and legislative limits and liberties to deliver U.S. goods, know-how and services in U.S.-designed aid interventions in foreign countries. It is the U.S. procurement business applied to foreign aid; a politically supported model of "doing aid to" foreign countries by delivering U.S. business products behind the political rhetoric of an altruistic interest in the living standards and alleviation of suffering of U.S. "partners." The congressional pressure to speed the operational pace of expending the U.S. budget on U.S. procurements explains their focus on budget execution as a measure of successful performance of these foreign aid model(s) created to further these business interests. The "Success Stories" serve as a public relations tool that puts a humanistic face on the pursuit of U.S. global interests and influence.

Quite different from this U.S.-centric strategy is the Millennium Challenge Corporation (MCC) and its integrated Country Team, whose common mission is a specific development program of work aimed at the unique poverty alleviation challenges of the partner by creating opportunities for indigenous economic growth. This is achieved by a community of practice, which consists of U.S. and partner members whose knowledge, skills and abilities complement each other in their practice of knowledge sharing and application of the very specific MCC guidance on the boundaries of the Millennium Challenge Act and its expectations as (1) an investment by the U.S. people and (2) the responsibility of the Accountable Entity to the partners' government and civil society. While the MCC model is subject to the same political influences and expectations, the Millennium Challenge Act (MCA) affords MCC legislative freedoms not (legitimately) available to USAID and the PRTs governed by the Foreign Assistance Act (FAA) and the Federal Acquisition Regulation (FAR). These freedoms allow the creative collaboration that is unique, and central, to the MCC knowledge-sharing model.

Implementing Practices

The military component of the PRT, as well as the separate military operations presented in the PRT case that competed directly with the State Department (DOS)/USAID PRT mission in Iraq reconstruction, governance and economic development, was similar to the USAID delivery model, although vastly larger in scope and resources, in that its practice was a logistical exercise in providing U.S.-procured goods and services. What was delivered was the practice of executing U.S. stovepiped budgets for U.S. goods and services—for whatever purpose. While regulation 660 of the

Foreign Assistance Act stipulates that foreign assistance to foreign ministries of Defense and Interior¹⁰³, are the domain of the Defense Department (DOD), given the unprecedented authority over the entire U.S. mission in Iraq, these procurement operations were aggressively extended throughout the government of Iraq to include all of its ministries and subnational governance structures. The effect of this expanded military procurement operations was to change the source of U.S. goods and services to the U.S. military industrial complex instead of the broader U.S. economy at large. This evidence may shed light on the explanations about why this war had dramatically different effects on the U.S. economy than did prior wars which goods and services were competitively procured from the civilian economy at large pursuant to the Federal Acquisition Regulation. Prior to the organization of the economy into more specialized industrial sectors, including the U.S. military industrial complex, support for the two world wars was provided by women working in the factories comprising the general economy of the era. This help to sustain very high rates of employment and productivity such that these wars were considered "good for the U.S. (civilian) economy." With the changing nature of how the U.S. engages in and supplies war and how special interests influence its funding, those economic benefits appear to be reserved for select sectors of U.S. business interests.

There exists an extensive body of examples of the use of the U.S. procurement model for over-provisioning, procuring significantly more than what was needed

¹⁰³ Regulation 660 stipulates that foreign assistance to all other ministries, beside defense and interior, are the domain of the U.S. government's civilian agencies, such as USAID, and the Departments of State, Agriculture, Justice, etc.

resulting in unnecessary waste. A characteristic example is the provisioning of gasoline-powered electrical generators, which were of limited utility: “All the money spent on small electrical generators was a waste. We spend even more money paying for fuel.” The Commander's Emergency Response Fund (CERP) exponentially exacerbated this tame solution mismatch to complex challenges. CERP is a more extreme example of the broken pipe analogy used in the MCC case, i.e., congressional pressures to execute the budget despite significant absorptive capacity limitations, except that in this case there was no hyper-vigilance regarding accountability. While aimed at the wicked challenges of a war-torn environment, the model delivered the technical solutions inherent in the practices of the Washington-centric political environment.

While the Millennium Challenge Corporation (MCC) model is more community-centric, it is not exempt from the special business interests influencing Congress which applies political pressures on U.S. government agencies that directly affect the practices they employ. For example, MCC’s early procurement guidelines (PGs), which were internally referred to as “modified World Bank” guidelines were chosen as the basis for the initial guidance because of their open procurement language, which was very different from USAID’s “buy American” clause. The modifications, however, were designed to favor American bidders by specifically increasing the transaction costs for non-American bidders.¹⁰⁴ For example, MCC’s PGs require all bidding documents to be in the official language of the partner, supporting partner ownership and leadership in procurement decisions and partner economic development by using local suppliers.

¹⁰⁴Field notes 2005.4, 2006.1.

Additionally, all bidding documents must be translated into English, reportedly to support MCC oversight of the process. Any non-English speaker would incur greater bidding costs by having to translate all the documents twice.

Congressional expectations of budget execution and the expeditious (annual) reporting of procurement inputs and outputs as meaningful metrics keep these procurement-oriented practices rutted in the tame solutions business when complex foreign aid challenges require a much broader set of expertise from the U.S. knowledge economy and improved organizational forms to benefit from it.

All three models are restrained by Congressional hypervigilance for accountability and corruption, which limits the flexibility of their institutional arrangements, but none more so than USAID. The MCC has funding flexibilities built into the Millennium Challenge Act (MCA); namely the multi-year, flexible use of the grant. The Defense Department (DOD) component of the Provincial Reconstruction Teams (PRT) is granted significant liberties with certain baskets of appropriations, namely, the excess programmed operations and maintenance funds, and the Iraq Reconstruction and Relief Funds (IRRF), which upon being appropriated were declared exempt from audit and oversight.¹⁰⁵ These self-imposed, congressionally imposed, limits sustain the U.S. view from the top philosophy that perpetuates entrenched, outdated

¹⁰⁵ These resources were exempted from audit and oversight year after year, until in 2009 the complaints and reports of fraud, waste and abuse by U.S. military units/members became too public to ignore. In 2009, Congress reversed itself and retroactively allowed these funds to be 1) audited by the special investigators for Iraq and Afghanistan reconstruction (SIGIR and SIGAR respectively) and 2) overseen by the General Accounting Office leading to significant revelations of fraud, waste, abuse and misuse of these and other [Commander's Emergency Relief Program (CERP)] funds in Iraq and Afghanistan.

thinking, methods, and metrics and their limiting effects on the available methods used for achieving aid objectives the U.S. claims to be seeking.

Paris Declaration Principles

The above findings on each of the three models examined in this research reveal that the Millennium Challenge Corporation (MCC) is the only model with some degree of legislative freedom, allowing it the institutional flexibilities to deliver more effective aid according to the universally agreed-on principles set forth in the Paris Declaration for Aid Effectiveness.

Evaluation of the Theoretical Model

The theoretical blend of Wenger's situated learning in communities of practice and the Paris Declaration principles proved useful in exhibiting the improved effectiveness that is achievable with innovative multidisciplinary teams cocreating solutions to complex challenges. The MCC model, driven by the legitimacy of political support and a more flexible legislative framework, provides an example of steps in the right direction. By mediating the rival procurement interests ("Buy American" versus open procurement, including America - albeit with preferential treatment) in the MCA, the U.S. and its partners have been able to accomplish a blend of both of their objectives; albeit slower than the U.S. Congress would prefer.

Given the disappointing revelations of the USAID and PRT models, the theoretical model was perhaps too postmodern in its focus on specific postmodern organizing approaches and definitions of the common language of foreign aid. That this research sought to understand what was behind - or within - the language of "policy,"

"doctrine," or "results" not to explain "what is" but as a generative tool to inquire of "what might become" of our mutual enterprise (Gergen & Thatchenkery, 2006) when we engage from a postmodern, community where learning is a shared domain of the endeavor - the common foreign aid mission - and an integral constituent of the practices (Lave and Wenger, 1991). Perhaps the expectation of the design of the theoretical model was premature for the current political understanding (or stage of learning) the specificity that underlies the postmodern community language of foreign aid.

From a methodological perspective, the underlying purpose of this research was to begin to frame insightful methods of inquiring into meaningfully impactful development results; aid effectiveness. The literature on monitoring and evaluation (M&E) has experienced tremendous growth and from the U.S. foreign aid constellation, MCC has been a leading contributor. The research would benefit from an analysis of the practical application of the current "gold standard" in M&E methods: the randomized controlled trial (RCT). While the scientific framework of the RCT appears antithetical to postmodern philosophy, the social constructions of meaning from a communally negotiated rationality and neutral assessment of knowledge could lend a pluralistic applicability to the method. When used as a generative tool, the RCT that could advance our understanding of the intricacies that form the complexity of foreign aid challenges and shed light on how we might improve future aid practices.

Future Research

The findings of this research reflect a growth in the delivery of U.S. foreign aid by the Department of Defense and shed light on the role of special interests in influencing

congressional mandates on appropriations and implementing practices. What was not covered in this research was the growing shift in foreign aid funding from governmental sources to the private sector. In 2009, The Hudson Institute published Carol Adelman's original work on *Global Philanthropy and Remittances: Reinventing Foreign Aid*, wherein she uses the broadest definition of foreign aid, (see footnote 2) which indicated that up to eighty-five percent (85%) of foreign aid (including government and private resources) of foreign aid is funded by private sector entities and individuals. From the Gates Foundation to Columbia University's Millennium Villages, there are many other models of foreign aid from private sources that need to be studied for their view of aid challenges, the practices they have created to address them and the impacts attributable to their model.

How the Office of Management and Budget accounts for foreign assistance is incomplete, as it does not include appropriations expended in foreign operations by all executive departments. The organization and scope of the 150 – International Relations account of the national budget, from which the statistic that foreign aid represents less than one percent of the budget, is a misrepresentation of accounting for foreign aid and represents only a small part of the actual appropriations used to deliver foreign aid. Understanding the structure of the budget and how it can be wrought to accommodate multiagency operations would make a significant contribution to the field.

Aligning with national public financial management systems (PFM) and harmonization were proven to be the most challenging of Paris Declaration principles for U.S. models, consistent with a fragmented national budget and the lack of a national

foreign aid strategy and multiagency institutional practices. Finding the common ground in PFM requirements amongst donors, that surely exist in international best practices of accounting and finance, would make a significant contribution to partners' development of national systems that would be acceptable to donors. Growing in capacity and legitimacy through use, these systems could be the game-changing tool for graduation from aid to trade as partners become compliant with the international financial architecture and can engage with the global financial system.

In terms of its contribution to the organization literature, this is the first study to provide observation data on the behavioral aspects of “how” government organizations go about organizing and implementing their foreign aid practices relative to the universally accepted best practices of the Paris Declaration. By synthesizing the communities of practice framework into the method of observation, the limitations or absence of socially constructed knowledge-work revealed determinants of *ineffective* practices. Additionally, this research makes a contribution to the development literature by observing the practices that make up the white space in the aid design cycle revealing hidden donor objectives and expectations that hinder country leadership of their national development.

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