

Providing Development and Humanitarian Assistance: A Conversation with Bonnie Glick, Deputy Administrator, United States Agency for International Development

By Michael J. Keegan



The United States Agency for International Development (USAID) seeks to deliver sustainable development solutions. As part of its mission, USAID advances U.S. national and economic prosperity, demonstrates American cooperation, and promotes a path to self-reliance

and resilience of aid recipients. The purpose of foreign aid should be ending the need for its existence, and USAID provides development assistance to help partner countries on their own development journey to self-reliance—looking at ways to help lift lives, build communities, and establish self-sufficiency.

Bonnie Glick, deputy administrator of USAID, joined me on *The Business of Government Hour* to discuss the agency's key priorities, its digital strategy, efforts to foster self-reliance, and how it engages the private sector to enhance development solutions. The following is an edited excerpt of our discussion, complemented with updated and additional research.



On the History and Mission of USAID

In 1961, President Kennedy established USAID recognizing that this country's moral obligation, as a wealthy nation, is to help countries that are much poorer. Over nearly 60 years, USAID has evolved to focus more on aid receiving countries and their journeys to self-reliance.

What do we do at USAID? We reduce the reach of conflict around the world, so that conflicts that are breaking out, wherever those may be, impact the fewest number of people possible. We work hard to prevent the spread of pandemic diseases such as what is happening today with the Ebola outbreak in the Democratic Republic of the Congo. We work to counteract the drivers of violence around the world that can lead to instability and can lead to some terrible transnational crimes, things like human trafficking. We work to promote American prosperity through market expansions to enable the export of U.S. products. We create a level playing

field for U.S. businesses around the world, particularly in emerging market countries. We support stable, resilient democratic societies. As the world's preeminent humanitarian assistance provider, we support nations when disasters strike or when crises emerge.

USAID is an independent agency of the U.S. government. We are part of the president's National Security Council. U.S. foreign assistance budget is around \$40 billion annually, of which USAID holds the largest portion. We are the largest development agency in the world.

On the Duties of the USAID Deputy Administrator

I am the number two ranking person in the agency—the chief operating officer of USAID. I was nominated by President Trump and confirmed by the Senate to serve in this role. There is a big management component of the agency. The deputy administrator manages the agency's budget, manages

a staff of 11,000 people in around a hundred different offices and USAID missions worldwide. As part of the national security infrastructure, we work to craft the vision for foreign assistance around the world.

On Challenges

Managing the agency's budget responsibility is a significant challenge. We have to ensure that we are excellent stewards of the taxpayers' dollars. Every single day, I make sure that we are using taxpayer dollars in the most effective and efficient way possible. In development, we talk about developing countries. In industry, one talks about emerging markets or growth markets. At USAID, we talk about aid beneficiaries. The private sector calls those same people customers and clients. We are looking at the best way to take U.S. budgeted dollars and the best way to effectively, efficiently use taxpayer dollars to provide people around the world too with an additional margin of dignity in their daily lives. In order to solve these development problems, I want to engage with the private sector, both international corporations and American-based international corporations, but also local private sectors because we want to make sure that programs that USAID funds and runs are sustainable. The best way for a program or a project to be sustainable is by having it run through a private sector lens where there are benefits that accrue both to the investors, businesses, donors, as well as to the beneficiary community.

Another big challenge we have centers around humanitarian assistance. The U.S. is the largest global bilateral donor of humanitarian assistance. A large component of what we do is working with other international donors to ensure that there is appropriate burden sharing in the costs associated with humanitarian responses, and that too is a way of ensuring that we're good stewards of the taxpayer's dollars.

We also face the challenge with the rise of alternative development models, which are in fact simply debt traps. These models are not about development. The Chinese model of development is about placing countries into debt traps that force them to give up national sovereignty. I would reference the recent experience of China's financing and building of a port in Sri Lanka. Sri Lanka defaulted on the debt and lost control of this port. I talk to leaders of developing countries about the importance of considering all aspects of development projects as they are presented, particularly large-scale infrastructure projects.

On USAID's Policy Framework

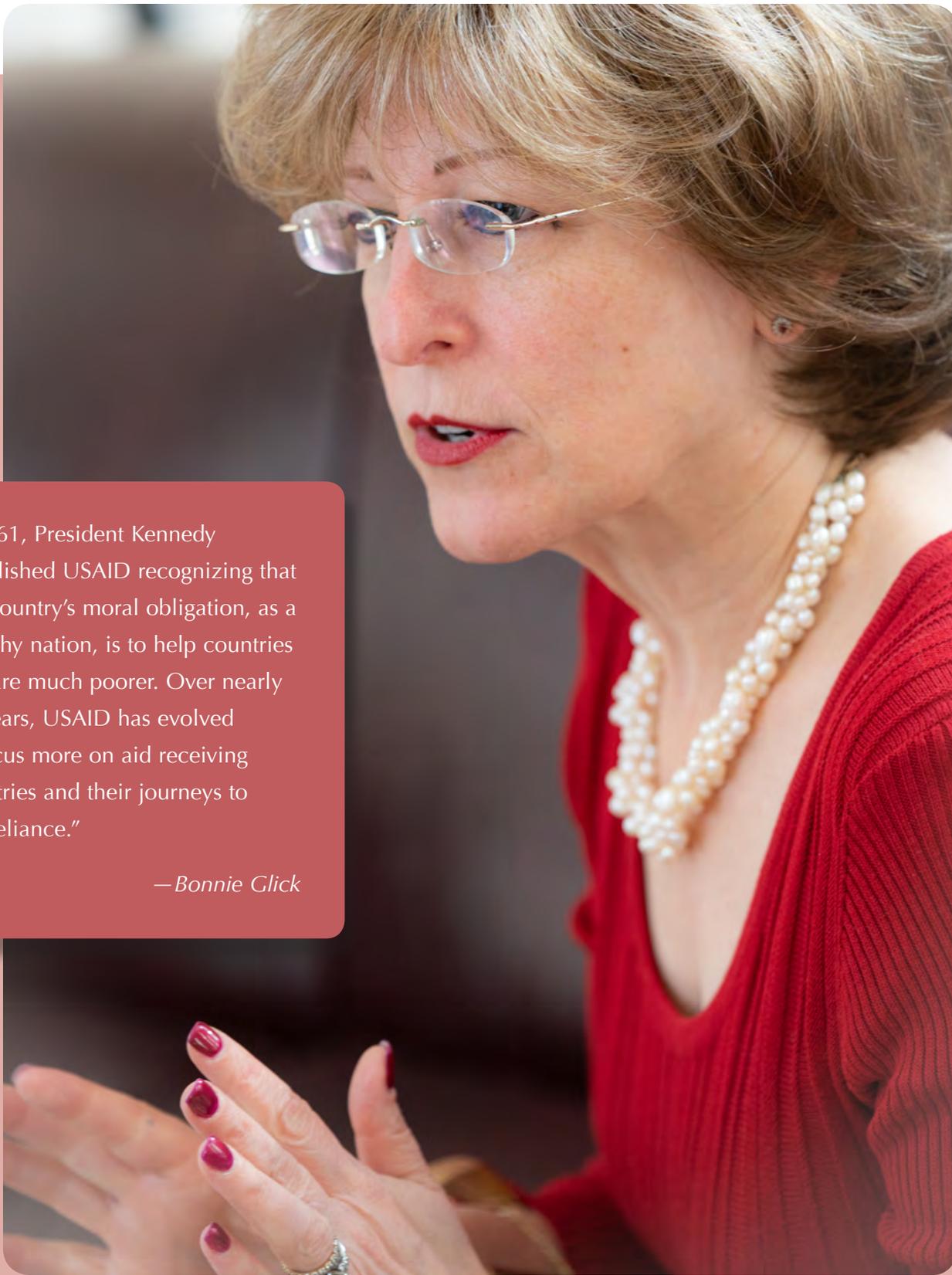
The USAID policy framework aims to bring the sort of ethereal, academic approach to development into the



real-world operational space. In April 2019, we released the agency's policy framework. It outlines USAID's approach to its mission, vision, and strategic orientation around what we refer to as a journey to self-reliance. The policy framework allows us to be a better partner, strengthen our ability to accelerate development progress, while meeting urgent humanitarian needs. That framework makes USAID a more effective provider of foreign assistance on behalf of the American people.

To capitalize on development gains and to respond to complex challenges—the ones that present themselves in the new development landscape—we focus on what we are referring to as a journey to self-reliance. At the same time, we're transforming our organization with a single goal in mind—working to end the need for foreign assistance. Our development model is rooted in building self-reliance in each of the countries in which we operate. For USAID, this is an explicit pivot toward a much more country-centric, locally led, and data driven approach to development assistance based on proven development best practices.

Our model of assistance promotes balanced trade, open market, democratic norms, and social inclusion. This means enabling locally led problem-solving for enterprise driven growth, inclusive societies, and transparent, accountable, citizen-responsive governance so that our partner countries have both the commitment and the capacity to solve their own development challenges.



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What we mean by a journey to self-reliance underpins everything that we are working to accomplish at USAID. It means countries receiving aid have ownership of their own destiny; they make decisions based on their own self-interest that will allow them eventually to eliminate the need for receipt of foreign assistance.

Our goal, ultimately, is to end the need around the world for foreign assistance. Different countries are in different places along that journey to self-reliance. There are countries that are at the beginning stages and countries that are closer to transitioning from an aid recipient country to a more partner-centered country—and even in many cases, to becoming a donor country itself.

On USAID's Digital Strategy

USAID's digital strategy will focus on its history of innovative digital development efforts. USAID co-drafted and was the first official endorser of the principles for digital development. It led a public outreach campaign which has resulted in the endorsement of over a hundred organizations, including the Bill and Melinda Gates Foundation, the World Bank Group, Swedish Aid (SIDA), and development aid out of the U.K., called the Department for International Development (DFID). We also cofounded industry leaders such as the Better Than Cash Alliance, the Alliance for Affordable Internet, and the Digital Impact Alliance. We also launched the Women Connect Challenge. USAID has been at the forefront of fighting to close the digital gender divide.

The potential for digital technologies and services to drive widespread economic growth, to improve health outcomes, and to lift millions of people out of poverty is clear. Significant barriers still remain. The resulting gaps can slow global growth and can increase a country's risk of instability. They can help keep countries dependent on foreign assistance. For example, four billion people in developing countries do not have access to the Internet and 1.7 billion women still lack access to a mobile phone.

At the same time, digitally-enabled disinformation campaigns and emerging cybersecurity risks can further threaten stability and introduce violent conflict. It is important as an agency that we look at ways to foster digital self-reliance as part of the journey to self-reliance.

There is a digital pathway to self-reliance. Connectivity delivered through wireless telecommunications networks is critical for development. Countries with strong digital ecosystems foster more self-reliant and resilient societies,

which, in turn, invest in their own infrastructure. It is a virtuous cycle.

USAID plays a critical role in increasing the effective and responsible use of digital development. It also creates a runway for the private sector to drive long-term growth. This is sustainable and it makes for an excellent investment in open, interoperable, inclusive, and secure Internet. All of which are critical to maximizing the positive values of the Internet.

Through our commitments to digital programming, we can measure how technology and services help individuals experience economic empowerment and financial inclusion. It also advances a country's national security and it supports accountability and transparency in governance. It is hard for me to think of a better way to lead toward self-reliance than along a digital pathway.

On USAID's Private Sector Engagement Policy

USAID is undertaking a major cultural and operational transformation to expand our engagement with the private sector. This will help us achieve outcomes of shared interest and shared value. One of the things that we focus on is open markets. Open markets send signals to investors, both in-country investors as well as foreign direct investment. We're looking at ways to move countries from being foreign assistance recipient nations to foreign direct investment recipient nations. We think the private sector can help do just this.





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One of the most exciting developments in the past year was the passage of the Build Act. The Build Act led to the creation of the new U.S. International Development Finance Corporation (DFC). It will combine all of the existing loan and loan portfolio guarantees that USAID has had historically through our development credit authority. Our development credit authority will be augmented with political risk insurance, loans, and loan guarantee products from the overseas private investment corporation, which was called OPIC. The new DFC is a blend of OPIC and some of USAID’s assets that will also have the authority to make direct equity investments in projects. We’re looking forward to working closely with the DFC to use its expanded set of potential tools so that we can directly support even more market driven private sector led solutions at a larger scale than ever before.

One great illustrative example is something that our team put together last year with USAID’s land and urban office. It is a new program to address the widespread problem of plastics in the ocean. USAID provided support to an entity called the Ocean Fund with a loan portfolio guarantee. Our guarantee enabled the fund manager, Circulate Capital, to raise up to \$35 million from key private sector actors to invest in companies all along the plastics recycling value chain.

Borrowers under the guarantee will be private sector enterprises that work in either the collection, sorting, recycling, or manufacturing parts of chains throughout south and southeast Asia. The result is projected to bring significant market-based private sector led improvements in the overall recycling value chain and reduce plastic waste flowing into the world’s oceans.

On Leadership

When I think about leadership, I actually have other people front of mind, people who have been great leaders and mentors to me. I am frequently asked by younger people to talk about what it means to be a mentor and would I mentor them. And one of the things that I say to them is you

should never have just one mentor. And you gain different things from different mentors. You learn not just from their experiences but also from the way they present and if there is something that you want to do or avoid.

A leader is a good listener and is not doing all the talking. A leader is a good evaluator who can look at a situation and quickly distill the driving factors of a situation. A leader has to be a tireless advocate for their mission’s success. When I think of the people I have looked up to, they are people who listened. They are people who could evaluate a situation with both a sympathetic and empathetic ear. They are people who care about the work they are doing and they bring others along to do that work.

To learn more about the United States Agency for International Development, go to usaid.gov.



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