

**USAID ECONOMIC GROWTH OFFICERS WORKSHOP
OCTOBER 15-19, 2007
WASHINGTON, D.C.**

Thursday, October 18, 2007 “Takeaway Points”

Plenary

Plenary Session: The USAID Budget Process and Economic Growth

Speaker(s): Dirk Dijkerman, COO, Office of the Director of US Foreign Assistance

Main Takeaway points:

- This was a spirited session with Dirk Dijkerman, the COO of the Office of the Director of US Foreign Assistance.
- He issued a challenge to the USAID economic growth office: reach agreement on the Economic Growth Strategy. He is ready to help defend it, but there needs to be better consensus within the Office of Economic Growth if there is going to be a clear message delivered to OMB and Congress.

Breakouts

Breakout Session: Democracy, Governance, and Economic Growth: Enhancing Opportunities for Mutual Reinforcement

Speaker(s): Joe Siegle, DAI; Rachel Kleinfeld, Truman National Security Project

Main Takeaway points:

- The presenters emphasized the important relationship between democracy and economic growth. They explained that although there is a theory that countries need economic growth first and then democratize, the data shows that overall low income democracies have higher economic growth than low income autocracies.
 - Democracies excel in economic growth because of several key points:
 - Shared power, checks and balances. More opportunities to review policies
 - Openness- Democracies tend to have more information flows (including free press) and more transparency & less corruption
 - Self-correcting- Democracies adjust to new ideas, weaving the way to best policies.
 - Several ways EG programs could integrate democracy issues
 - Separating Political authority from Economic Opportunity
 - Facilitating equal access to credit – autocracies tend to control levers of economic entry and market entry, access to capital
 - Independent business associations – distinct and not under control of political establishment
 - Anti-Corruption and oversight over procurement in countries
 - Enhance Access to Information and free press, including a business press

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- i.e. development of Kenya stock exchange, saw a huge increase in capitalization with the transition of democracy and increase in information
 - Access to information on national budgets
- Create incentives that reward policies that support the public interest – reward governments for doing the right thing.

Breakout Session: USAID & USTR: Promoting a Productive Partnership

Speaker(s): Mary Ott, EGAT

Main Takeaway points:

- Mary Ott, who has just come from a detail at USTR, provided insights into some of the misconceptions of USAID by USTR, and vice versa—and she spent much of her year trying to dismantle them.
- She argued for better collaboration with USTR, and provided tips on how to do so. Vietnam STAR was cited several times as an example of the ideal USTR/USAID collaboration.
- She closed with a story about the Director of OMB asking a senior official from USTR what she would be asking of him: she replied, “I don’t want anything for myself; but I do want to talk to you about funding for USAID’s Economic Growth Office.” Evidence that there is support and respect for USAID’s EG work within USTR.

Breakout Session: Knowledge Management for Economic Growth Activities – Best Practices and Resources

Speaker(s): Stacey Young, USAID, Nhu-An Tran, USAID, Marialyce Mutchler, Weidemann; Mike McGahuey, USAID

Main Takeaway points:

- The Knowledge Management Cycle is feedback loop defined as Knowledge Generation -> Knowledge Sharing -> Knowledge Application which then feeds back into Knowledge Generation.
- Knowledge Management has become an essential tool to meet development needs with diminished resources, including human capital, to extend development impact beyond a single project.
- Knowledge management websites, which provide a space for dialogue, publications, document libraries, including best practices and lessons learned collections, prove to be both a financially efficient tool as well as an outreach tool for local organizations to connect internationally.

Session Title: PEPFAR, EG Program Components, and Health Financing

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Speaker(s): Michele Moloney-Kitts, PEPFAR; Prof. Ajay Mahal, Harvard; Marijn Verhoeven, IMF-FAD; Victoria Gunnarsson, IMF-FAD

Main Takeaway points:

- N/A.

Breakout Session: USAID Support for Port Concession in Peru (PPP)

Speaker(s): Jim Fox

Main Takeaway points:

- Jim Fox shared his experience working in Peru on the Callao Port Concession Project. He covered the history of the project up until USAID took on the project. The national government had considered privatizing the port on a couple occasions but then lost the political will or support. Finally in 2006 the conditions were ideal and support strong for concession. The Callao concession was approved in 2006 and operations are expected to start in the new port in 2009. He closed with the key thoughts that USAID can have great impacts in projects like port concessions when they understand the local environment, hire the right implementers, and have a champion within AID to push for the right decisions.
- Peru had some significant advantages that they had let languish. They have high government capacity, past experience, a decade of judicial reform which led to strong rule of law and its location is perfect for a large port. Unfortunately they had serious domestic fiscal problems, internal conflicts between the labor unions and government and a predominance of rent seeking behavior that led to certain people being happy with the status quo.
- Jim sees USAID's challenges for future as better capacity for in-country staff to identify economic growth opportunities; institutionalized recognition of the possible impact of economic reforms; low-cost high impact interventions; and greater recognition of payoffs.

Breakout Session: Mobile Banking and Enterprise Development

Speaker(s): Carrie Averch, Chemonics; Bill Baldrige, USAID; Nhu-An Tran, USAID

Main Takeaway points:

- The presenters reviewed the numerous ways mobile banking can provide financial services and new products, particularly for the non-banked or the base of the pyramid including loan distributions, payments, deposits, withdrawals, and transfers of remittances.
- They highlighted several models applied globally and discussed prerequisites for using successful use of mobile banking.
- Some potential issues such as over or under regulation were also reviewed by the panel and participants.

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Breakout Session: EG Best Practices Scopes of Work

Speaker(s): Steve Hadley

Main Takeaway points:

- Steve Hadley introduced an idea kicking around EGAT to collect “model” Scopes of Work, or a library of Scopes of Work that technical officers could call upon as they design their new programs.
- All agreed that this was a good idea.

Breakout Session: AID/W Mechanism that Respond to EG Field Support Requests

Speaker(s): Theresa Stoll

Main Takeaway points:

- CTOs for various USAID Washington-based IQCs and other mechanisms introduced their contracts and existing task orders that are able to provide quick-response, short-term technical assistance requests from field missions and bureaus.

Breakout Session: Skills Development in EG and Proposals for Certification

Speaker(s): Steve Hadley

Main Takeaway points:

- With fewer mentors and the departure of senior technical staff, how does EG pass on institutional and technical knowledge that is needed to do the job well in the field, but that is not taught in academic programs?
- EG is currently the development of certificate courses, including for FSNs, so that USAID staff can get in-service training on technical skills and get an official certification that would acknowledge in a formal way that these skills have been attained.
- There was general agreement that this would be useful. A number of issues were raised, however, including how the certificates would be viewed for promotion and new assignments, how the knowledge certified could be updated over time, how the courses would reflect mainstream knowledge in an area, and how the course materials could be related as best as possible to what field staff needed to know to do their job. People noted the importance of learning from others in the field, and sharing best practices.