

**Policy Recommendations for USAID Administrator Mark Green:
How to Fully and Effectively Leverage Skilled Volunteers in U.S. Global
Development**
Presented by Volunteers for Economic Growth Alliance
August 2017

Thank you, Administrator Green, for inviting us to submit our views as you and your team seize this great moment of opportunity to chart a new course for more effective global development assistance.

We share your core organizing principle that the purpose of foreign assistance should be ending its need to exist.¹ Like you, we share the belief that economic growth is the only sustainable solution to global poverty.² We also agree that the three goals you listed for the Senate are important for advancing the U.S. Agency for International Development's (USAID) mission:

- 1) Ensure USAID programs respect taxpayers.
- 2) Clarify for our partners that our assistance isn't open-ended or inevitable or, most important, a substitute for what they must take on themselves.
- 3) Reform our assistance tools and reshape our programs to better reflect America's evolving relationship with the developing world.³

Herein we provide you with actionable suggestions to help achieve these goals by fully and effectively leveraging skilled volunteers in U.S. global development for more prosperity and security at home and abroad. On behalf of our 30 volunteer-sending organizations representing millions of Americans,⁴ the Volunteers for Economic Growth Alliance (VEGA) respectfully submits the following policy recommendations.

Maximize the Value of Volunteers

During your testimony before the Senate Foreign Relations Committee, you stated, "Our foreign assistance funds are precious: they come from hard-working families all across this great country. We owe it to them to use these as efficiently and effectively as possible."

One of the great, largely untold, success stories of USAID has been its partnership with skilled volunteers who represent the generous spirit and skills of the American private sector. These relatively small, but high-value volunteer-sending programs at USAID, such as VEGA's initiative and the Farmer-

¹ https://www.foreign.senate.gov/imo/media/doc/061517_Green_Testimony.pdf

² Consensus for Development Reform Policy Recommendations, November 11, 2016, <http://www.developmentreform.org/1398-2/>

³ https://www.foreign.senate.gov/imo/media/doc/061517_Green_Testimony.pdf

⁴ VEGA Members: Aquaculture without Frontiers (AwF), Arizona State University Walton Sustainability Solutions Initiatives, Australian Volunteers International (AVI), BizCorps, Coffee Quality Institute (CQI), Conservation Council of Nations (CCN), Creative Learning/Aid to Artisans, Cultivating New Frontiers in Agriculture (CNFA), Engineers Without Borders USA (EWB-USA), Financial Services Volunteer Corps (FSVC), Florida Association for Volunteer Action in the Caribbean and the Americas, Inc. (FAVACA), Foods Resource Bank (FRB), Global Business School Network (GBSN), Global Communities, Institute of International Education (IIE), International City/County Management Association (ICMA), International Executive Service Corps (IESC), International Real Property Foundation (IRPF), International Senior Lawyers Project (ISLP), Land O'Lakes International Development, Mennonite Economic Development Associates (MEDA), National Cooperative Business Association CLUSA International (NCBA CLUSA), National Rural Electric Cooperative Association (NRECA International), Opportunity Industrialization Centers International (OIC International), PUM Netherlands Senior Experts, Purdue University, PYXERA Global, Winrock International, Worldwide Foundation for Credit Unions, Inc. (WOCCU), World University Service of Canada (WUSC).

to-Farmer program, have used our foreign assistance funds efficiently and effectively, saving tens of millions of taxpayer dollars.⁵ In partnership with volunteer-sending organizations, USAID has leveraged expertise from across America's private sector to provide opportunity, tools and training to people in the developing world seeking self-sufficiency. Over the past 13 years, VEGA has facilitated more than 44,000 days volunteered by experts spurring economic growth,⁶ and in the past 31 years, Farmer-to-Farmer partners have sent more than 16,700 volunteers to increase food security through skills training.⁷ In addition, there are other discrete volunteer-sending programs at USAID, such as the Global Health Fellows II and Partners in Food Solutions. However, taken all together, today's programs are only a small representation of the expansive supply of pro bono expertise that can and should be engaged by USAID, not to mention the nearly 30 federal agencies and departments with foreign aid programs.⁸

You testified "there are literally trillions of dollars that could be mobilized for development if we learn to better leverage partnerships, catalyze private-sector investments and amplify the efforts of foundations and non-profits." One essential way for the U.S. government to do this is to expand opportunities for in-kind investments of human capital.

U.S. professionals are well positioned to provide leadership to promote economic growth in the developing world. Our entrepreneurial tradition, dynamic capital markets, robust public and private institutions and deep expertise offer an unrivaled ability to drive growth. Americans with expertise from financial services to engineering to agribusiness to technology have repeatedly demonstrated a desire to donate their valuable time to help give a hand up, instead of a hand out.

Large U.S. corporations have committed resources, including their employees, to help reduce poverty around the globe. Increasingly, for-profit companies are seeking to partner with civil society and the public sector to leverage their social impact investments and to mitigate risk. VEGA has had recent success in aligning public and private interests to create shared value for all partners with volunteers as a key ingredient. For example, we brought together Nestlé and USAID Nigeria for a public and private-sector partnership under Feed the Future, leveraging the expertise of volunteers to train farmers, workers and small agricultural businesses to reduce crop contaminants in order to sustainably increase the safety and quality of maize and soybeans and improve the health, nutrition and livelihoods of Nigerians.

How can USAID capitalize on these trends? Leveraging these unique private-sector investments of human capital in partnership with civil society will be essential to achieving your goal of "reforming our assistance tools and reshape our programs to better reflect America's evolving relationship with the developing world." With an efficient and effective volunteer-centered mechanism, the U.S. government will be able to expand the engagement of individuals from the private sector who do not earn their living as consultants or contractors. In addition, the government will be able to continue to access professionals whose time is worth more than federal government's allowable pay rates. Notable examples of high-value, high-profile volunteers include former Chairman of the Federal Reserve Paul Volker, former President and CEO of Expedia Eric Blachford, Chief of the Early Detection Branch of the National Cancer Institute Charles Smart⁹, and former Senior Vice President of McCormick Hal Handley.¹⁰

⁵ VEGA has partnered with the U.S. government on 59 programs in 47 countries, saving more than \$32 million taxpayer dollars and nearly doubling the program value through cost share and leverage, including at least 44,000 days of volunteer service. This does not include the thousands of hours of administration and oversight VEGA saves USAID.

⁶ <http://vegaalliance.org/>

⁷ <http://farmer-to-farmer.org/>

⁸ <https://fas.org/sgp/crs/row/R40213.pdf>

⁹ http://vegaalliance.org/wp-content/uploads/2017/08/Volunteer-profile-UT-IESC-Charles_Smart.pdf

¹⁰ <http://vegaalliance.org/success-stories/harold-hal-handley-facilitating-economic-growth-project-feg/>

You also testified that “I also believe that the truest sense of American compassion comes from helping people and countries take care of themselves and craft their own bright futures.” We couldn’t agree more.

Importantly, the value of partnering with volunteers goes far beyond cost savings, in that these citizen diplomats also advance U.S. interests by sharing the best of American values and skills.¹¹ These are successful and generous Americans who show up as ambassadors of goodwill, ready to help those ready to help themselves in a very personal and practical way. These volunteers create authentic peer-to-peer relationships and many have great credibility with partner country counterparts, thereby strengthening local capacity and sustainability. Moreover, capacity building for local volunteers and volunteer-sending organizations is key to sustainability.

Very often, these relationships and the capacity building do not end with the assignment. Many of those who donate their two or three weeks of vacation continue to support the partners they trained after the volunteer assignment ends. Many of them return for subsequent volunteer assignments, or as private citizens, and many inspire their colleagues and neighbors to serve. In doing so, these volunteers generate more cross-cultural understanding.

You testified that “We should emphasize programs that incentivize local capacity-building . . .” We agree that building local capacity is essential to meeting your goal of ensuring our assistance isn’t “a substitute for what they must take on themselves.” Skills training and knowledge sharing are the bridge to transitioning people and countries out of aid dependency and toward greater self-sufficiency and becoming trading partners. From mentoring national and local leaders on governance to enabling private-sector investments through policy and institution-strengthening to creating jobs and entrepreneurial opportunities for women and the youth workforce—skilled volunteers, guided by experienced U.S. non-governmental organizations (NGOs) with trusted local partners, help to build the conditions necessary for sustainable economic growth. These volunteers also bring to bear their vast professional networks for development solutions. Maximizing the value of volunteers will result in more jobs and rising incomes in the world’s poorest countries and more customers, resources and trading partners for American businesses.

As you know, several bipartisan members of Congress strongly support the continuation of USAID’s successful partnership with skilled volunteers through VEGA because it is “valuable to the U.S. taxpayer, to USAID Field Missions, and to meeting our foreign assistance objectives.”¹² In response to a letter from several members of the House, USAID wrote on June 21 that “USAID plans to work towards the creation of a new volunteer-centered mechanism in the near future.”¹³ In response to a question from Senator Johnny Isakson (R-GA) in your confirmation hearing record on whether you “intend to coordinate closely with Congress to ensure that our development efforts continue to draw on skilled volunteers and seek new, innovative ways to expand their involvement,” you replied, “Yes, I support drawing on volunteers, where practical and cost-effective, to better leverage our resources.”¹⁴

¹¹ See several success stories at VolunteerImpact360.org

¹² <http://vegaalliance.org/wp-content/uploads/2017/06/2017-06-05-USAID-Ltr-re-VEGA-Support.pdf>

¹³ Letter to Rep. Hill, et. al., from USAID Acting Assistant Administrator James A. Beaver, June 21, 2017.

¹⁴ Senate Committee on Foreign Relations, Question for the Hearing Record for Ambassador Mark Green’s Nomination for USAID Administrator, from Senator Johnny Isakson (R-GA): “On April 13, 2017, I joined a bipartisan group of senators in sending a letter to USAID’s acting leadership supporting the Volunteer for Economic Growth Alliance’s skilled volunteer initiative. Additionally, a bipartisan group of eight Members of the House of Representatives also sent a letter expressing

Administrator Green, you have a tremendous opportunity to further engage the relatively untapped natural resource of American generosity and ingenuity to advance USAID's agenda. So much more can be done to expand on USAID's successful partnerships with volunteer-sending organizations to create even more economic opportunity and trade while leveraging unique private sector investments via skilled American volunteers.

VEGA welcomes USAID's commitment to Congress to create a new volunteer-centered mechanism and your testimony in support of drawing on volunteers. We are committed to helping you create a highly effective next generation volunteer initiative. To help you succeed in this effort, below we share our experience with the best practices that are important to continue, as well as a few of our ideas for improvements and innovations.

A Broad, Streamlined and Scaled Mechanism for More Mobilization of Skilled Volunteers

President George W. Bush significantly expanded the long presidential legacy of supporting volunteerism when he established USA Freedom Corps in 2002. In 2003, he issued the Volunteers for Prosperity Executive Order to "to encourage volunteer service by highly skilled Americans to support major initiatives by the United States for promoting health and prosperity around the world."¹⁵ USAID Administrator Andrew Natsios embraced the president's initiative, and, according to a memo dated April 3, 2003, was already well on the way to establishing a new program to implement it when the EO was signed.¹⁶ In this memo, Natsios states that "USAID is committed to continue to partner with volunteer organizations and utilize their capacity to mobilize volunteers in meeting USAID strategic objectives in economic growth, agriculture and trade."

Administrator Natsios took action to both broaden and streamline these partnerships to address "obstacles volunteer organizations and missions have encountered with current procurement mechanisms" by establishing a worldwide Leader with Associate (LWA) Cooperative Agreement to "allow missions and bureaus to procure the services of volunteers for a broad spectrum of programmatic activities through a single collaborative organizational structure."

Natsios was seeking greater efficiencies and effectiveness with the program later announced as the Volunteers for Economic Growth *Activities*: "Creating a single point of mobilization of volunteers with a variety of skill sets allows for more creative and comprehensive activities yielding larger developmental impacts in Economic Growth."¹⁷ In order to "reduce the paperwork and time involved in mobilizing volunteers" and "allow missions to work collaboratively with a consortium of providers to design and roll out specific activities."

their support for this initiative. VEGA leverages pro-bono American private-sector expertise in cost-effective, flexible, efficient and strategic U.S. investments in emerging markets. However, after a short-term extension was granted to give the next Administrator time to review this initiative, it will soon expire. Given the bipartisan support for skilled volunteerism, do you intend to coordinate closely with Congress to ensure that our development efforts continue to draw on skilled volunteers and seek new, innovative ways to expand their involvement?"

¹⁵ Volunteers for Prosperity, Executive Order 13317 (September 25, 2003), <https://www.gpo.gov/fdsys/pkg/CFR-2004-title3-vol1/pdf/CFR-2004-title3-vol1-eo13317.pdf>.

¹⁶ Executive Memo on "The Role of U.S. Volunteers in Promoting Economic Growth, Agriculture and Trade" <http://vegaalliance.org/wp-content/uploads/2017/08/USAID-Administrator-Notice-on-Role-of-Volunteers-in-Promoting-Economic-Growth-Ag-and-Trade.pdf>

¹⁷ 2003 Request for Application. <http://vegaalliance.org/wp-content/uploads/2017/08/VEGA-RFA-2003.pdf>

A small group of volunteer-sending economic growth NGOs formed a consortium to answer this call for international service. Our consortium is now the Volunteers for Economic Growth *Alliance* and an independent, self-funded 501(c)(3) organization that has grown to include 30 volunteer-sending organizations.

This Bush-Natsios initiative has been wildly successful, as evidenced by how VEGA has grown to include 30 members with deep and broad expertise, the several renewals of the program by USAID and the strong bipartisan support it enjoys in Congress. Notably, the VEGA partnership and funding mechanism was also continued under President Obama with a strong justification for an exception to competition. When Administrator Raj Shah last extended VEGA's LWA in 2014 after determining that it was “strategically necessary,” that “mission demands for this procurement vehicle is higher than normal” and that is was in the “best interest of USAID.”¹⁸ The VEGA-USAID partnership has continually evolved with several innovations and improvements over the past 13 years.

There are several best-practice features of the VEGA LWA important to continue in the next generation of a volunteer-centered funding mechanism:

- **Volunteer Mobilization:** A network of more than 100,000 skilled volunteers and Associate Awards with a 30% target minimum level of effort from skilled volunteers on its programs.
- **Speed and Efficiency:** The consortium that is a one-stop shop for accessing volunteer-sending organizations and private-sector partners with full-scale development programs with procurement lead times three times faster than the USAID average (89 days vs. 300 days).
- **Flexibility:** Can be used for discrete programs, large full-scale modern development programs, such as Feed the Future and Power Africa, or new initiatives, for graduating regions and countries from aid, for example.
- **Cost-Effectiveness:** Cost share of at least 15% required, and leverage of private sector volunteers and cash investments, stretching shrinking budgets and saving taxpayer dollars.
- **Broad Access and Expertise:** No limit to geographic region, expertise spanning more than 140 countries and across the spectrum of economic growth from agribusiness to financial services to trade, deep expertise in capacity building and local institution strengthening spanning several other sectors, including health and energy.
- **Partner Diversity:** Open membership diversifies and expands the range of expertise available to USAID on programs, providing easy access to small, non-traditional partners for the USG.
- **Demand-Driven:** All programs are demand-driven and ultimately determined by and funded through USAID Bureau and Field Missions, increasing partner country engagement and the ability to solve specific locally identified problems together.
- **Unique Competition:** Unlike other LWAs, these Associate Awards are competed among the 30 and growing consortium members through an independent panel and process to ensure best available implementing partners, without sacrificing efficiency or accountability.
- **Flexible Funding:** No earmarks, appropriations or budget outlay required.
- **Innovation:** Innovative volunteer models include remote technical assistance and training; encouraging volunteers from other countries to share their expertise with other developing countries; and engaging diaspora volunteers with language, cultural and overall understanding of the local socio-economic dynamics.

¹⁸ Action Memo for the Administrator, Subject: Justification for the Exception to Competition—Volunteers for Economic Growth Alliance (VEGA) VEGA Leader with Associates award (LWA), signed by USAID Administrator Raj Shah on June 20, 2014. <http://vegaalliance.org/wp-content/uploads/2017/08/VEGA-JEC-June-12-2014-201610191633.pdf>

- **Assistance, Not Acquisition:** NGOs are the experts at mobilizing volunteers and the best partners for local counterparts and capacity building.
- **USAID Staff Support:** Independent assistance throughout procurement and implementation--- assisting in program design; managing the competition, selection, award; and providing monitoring, oversight and accountability.
- **Robust Impact Indicators:** Measuring impact specific to programs and overarching mission, country and USAID goals, including evaluating the value of volunteer assignments via VEGA's proprietary reporting system.
- **Knowledge Management and Innovation:** Supporting a community of practice with knowledge management and innovation for increasing effectiveness for skilled volunteer-sending organizations, economic growth experts and volunteers.

The only procurement tool of which we are aware that can provide all of these benefits is the LWA. Other mechanisms, such as an Annual Program Statement (APS), might yield dozens of ideas but no results after intensive staff time. While innovation is important (see our recommendations below), we all would prefer to spearhead an initiative that generates thousands of jobs and business opportunities over thousands of concept papers.

A global volunteer-focused LWA is not only the ideal mechanism for mobilizing volunteers, it is the only viable vehicle for USAID to integrate skilled volunteers into its programs.¹⁹ VEGA encourages a 30% level of effort from volunteers and a minimum of 15% cost share on its programs. Other non-VEGA programs are not able to incentivize volunteer participation to anywhere near the same degree. For non-LWA cooperative agreements, USAID regulations only permit field missions to encourage cost share, they cannot require it. Nor can missions specify how they would like cost share to be generated, such as expressing a preference for volunteers. In practice, VEGA member organizations working under non-VEGA cooperative agreements rarely, if at all, incorporate substantial cost share and they do not utilize volunteers as a general rule in meeting what cost share commitments are made.²⁰ Without access to an LWA similar to VEGA's, our member NGOs have stated that they would have little or no incentive to maintain active volunteer databases and employ specialized staff to recruit, orient and otherwise support and report upon skilled volunteers.

The message is clear, without vehicles like VEGA's LWA, the U.S. government will quickly lose its capacity to actively integrate skilled volunteers into its global development programs.

Improvements and Innovations for the Next Generation of Volunteers for Prosperity

President Bush and Administrator Natsios scaled USAID's mobilization of skilled volunteers by broadening the activities and expertise that could be accessed worldwide and streamlining it under an LWA to a single, successful consortium of volunteer-sending organizations.

However, far more can be done in the next initiative to scale, broaden and streamline it further for even more efficient and effective volunteer mobilization. Here are a few of our ideas, to begin the conversation:

¹⁹ Notably, Farmer-to-Farmer has been made more effective by utilizes the LWA funding mechanism to integrate volunteers into USAID programs, although they are only for agriculture/food security programs and do not have the benefits of a consortium with a secretariat to administer an independent competition.

²⁰ The exception being VEGA's three member organizations that field agriculture experts as volunteers under the Farmer-to-Farmer program.

- 1) **Launch a new volunteer initiative with strong leadership:** Strong leadership is needed to raise the profile of the new volunteer initiative to more efficiently and effectively leverage skilled volunteers in development assistance across the government—or at least across USAID. The Bush-Natsios vision has suffered without leadership for volunteer partnerships, as these programs have been siloed and buried in the bureaucracy for too long. To maximize the value of volunteers, high-level, efficient coordination is needed and should be led by a high-ranking political appointee perhaps heading a new office or perhaps from the front office. The Office of Volunteers for Prosperity was short-lived and did not have the proper mandate for leadership. Leadership is needed to ensure that the Bureaus and Mission can fully take advantage of the new volunteer-centered funding mechanism, monitor impact and incorporate improvements. If there is strong leadership for the new volunteer initiative, it may make sense to streamline further by bringing the disparate volunteer-sending development assistance programs under that leadership.
- 2) **Make the mandate and impact broader:** Expand the programming beyond traditionally siloed “economic growth” sector to include all global development programs—including global health—with a focus on measurable results in the transfer of skills, capacity building, institution strengthening and organizational development—no matter the sector. The foundation for doing so in the Volunteers for Prosperity E.O., still in force, is very broad.²¹

Likewise, broadening the mandate of the volunteer-sending partners who form a consortium would broaden the impact by diversifying to include organizations beyond the traditionally economic growth-focused space including health, faith-based groups, diaspora organizations, educational institutions, technology firms and corporations with employee volunteer programs.

- 3) **Scale volunteer mobilization with a whole-of-government strategy:** Consider a coherent “whole-of-government strategy,” similar to the Global Food Security Strategy,²² involving all of the nearly 30 agencies and departments engaged in development assistance in creating a strategy for maximizing the engagement of highly skilled Americans for pro bono technical assistance. Again, there is ample authority for this under the Volunteers for Prosperity E.O. and USAID should lead.
- 4) **Create an online volunteer communications hub:** Create an online communication and coordination hub for recruiting, tracking and communicating with organizations and individuals for possible partnership, inclusion in programming through the mechanism, ensuring a pipeline for highly skilled volunteers. This hub could also be a portal for knowledge management and innovation, managed by the implementer of the new mechanism.
- 5) **Incentivize new innovation:** We have several ideas to explore with you regarding innovation, but one way to invite even more ideas might be to incorporate or offer a complimentary APS into the new funding mechanism, to be managed by the new

²¹ Ibid.

²² Global Food Security Act of 2016 requires a “whole-of-government strategy,” PUBLIC LAW 114–195—July 20, 2016, <https://www.gpo.gov/fdsys/pkg/PLAW-114publ195/pdf/PLAW-114publ195.pdf>

implementer. While such a mechanism would not scale volunteer engagement, it might be used to offer a pool of funds for small matching grants for innovative ideas, to leverage volunteerism already organized outside government programming or to create funding for follow on work identified by the volunteers. Small matching grants also could be incorporated into the LWA without an APS.

In addition, technical assistance needs have changed and the range of skills needed has broadened. Technology makes more remote volunteering possible as well as providing tools for delivering technical assistance in more accessible ways. Generous experts in technology also ought to be specifically recruited to partner through the new volunteer funding mechanism.

- 6) Do no harm, and leave no gap:** Lastly, we urge you to first ensure that there is continuity for bureaus and missions to access highly skilled volunteers while you develop your signature volunteer initiative. While VEGA eagerly awaits the opportunity to join a competition for a new volunteer-centered mechanism, we urge you to continue to meet the high demand from field missions for this program. This effective development tool should not be taken away before a new tool is available. During this transition, USAID needs as much flexibility as possible in its tools for development.

Conclusion

While these recommendations have focused on fully and effectively engaging skilled volunteers in your redesign efforts, we also have joined more than 100 other endorsers of the Guiding Principles for Effective Foreign Assistance organized by the Modernizing Foreign Assistance Network.²³

We hope that this information and our recommendations are helpful to you and your team at this critical time. We look forward to working with you to ensure that U.S. government can continue to leverage the cost-savings and expertise of highly skilled volunteers who not only generate economic growth, stability and opportunities for trade, but who also convey the best of American values and ingenuity.

²³ <http://modernizeaid.net/wp-content/uploads/2017/06/MFAN-signatories-1.pdf>