

NATIONAL PRESS CLUB LUNCHEON WITH DR. RAJIV SHAH

SUBJECT: U.S. RESPONSE TO DISASTER SITUATIONS IN HAITI AND ELSEWHERE

MODERATOR: ALAN BJERGA, PRESIDENT, NATIONAL PRESS CLUB

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**ALAN BJERGA:** (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Alan Bjerga. I'm a reporter with Bloomberg News, and the President of the National Press Club. We're the world's leading professional organization for journalists and we are committed to our profession's future through our programming and by fostering a free press worldwide. For more information about the National Press Club, please visit our website at [www.press.org](http://www.press.org). To donate to our professional development program, please visit [www.press.org/library](http://www.press.org/library).

On behalf of our members worldwide, I'd like to welcome our speaker and our attendees to today's event, which includes guests of our speaker as well as working journalists. I'd also like to welcome our C-SPAN and Public Radio audiences. After the speech concludes, I will ask as many audience questions as time permits. I would now like to introduce to you our head table guests.

From your right, Bob Keefe, Washington correspondent for the *Atlanta Journal-Constitution*; Josh Rogin, staff writer for Foreign Policy; Lisa Friedman, Deputy Director and Editor of ClimateWire; Andrea Stone, senior Washington correspondent for AOL News; Paul Weisenfeld, coordinator of USAID's Haiti task team and a guest of the speaker; Andy Alexander, ombudsman for the *Washington Post*; Shivam Shah, wife of Dr. Shah and Director of Special Initiatives for the Office of Innovation and Improvement for the U.S. Department of Education; Andrew Schneider, associate editor, Kiplinger and Chairman of the Speakers Committee; Donna Leinwand, reporter for USA Today, a former NPC President and the Speakers Committee member who organized this event.

Sean Carroll, Chief of Staff for USAID and a guest of the speaker; Kathy Bonk, Executive Director of Communications Consortium; and Skip Kaltenheuser, independent writer for the International Bar Association, among others, he's a member of the Press Club's Foreign Correspondents and Photography Committees. Thank you. (Applause)

Two weeks after today's speaker was sworn in to lead the U.S. Agency for International Development, a devastating earthquake struck Haiti. President Obama instructed Dr. Rajiv Shah to take charge of the U.S. response to this disaster just a few hundred miles away from the U.S. mainland. Since then, the U.S. government has committed more than \$1 billion towards relief efforts in Haiti and pledged another \$1.15 billion at a donor's conference in April. Of this funding, USAID contributions total more than \$500 million.

As the six month anniversary of the earthquake approaches, conditions in Haiti remain dire. And in addition to that nation, Dr. Shah is managing aid and development programs in more than 100 other countries. Shah has said that USAID's goal is to create the conditions where it is no longer needed so that communities thrive, governance is strong, and schools and other institutions continue to operate long after we leave.

Before leading USAID, Shah served as the U.S. Department of Agriculture's chief scientist. He spent seven years with the Bill and Melinda Gates Foundation, where he directed agricultural development programs and established an international financing program for childhood immunizations. He served as healthcare policy advisor on the Gore 2000 presidential campaign and as a policy aid in the British Parliament. He holds a medical degree from the University of Pennsylvania and a masters degree in health economics from the Wharton School of Business. Please welcome to the National Press Club Rajiv Shah. (Applause)

**DR. SHAH:** Hello, good afternoon and thank you, Alan, for that kind introduction. And thank you, Donna, for the kind invitation to be here today on behalf of USAID and our whole team. And thank you, Andrew, for your support for this event.

I'd like to start today's discussion by sharing something that you might not usually hear from a public servant in the aftermath of a crisis. Thank you. Your unstinting coverage as the national press and the international press of Haiti's earthquake certainly helped rally the American people behind the cause of helping our neighbors at a time of real need and real crisis. In fact, more than half of all citizens in the United States, one half of all families, contributed directly to relief causes. It was really an awe-inspiring demonstration of American compassion.

And although Americans might be most familiar with USAID's work and our red, white and blue logo from seeing it on the evening news during a description of a story about that particular tragedy or others like it, our focus as an agency is also on long-term, sustainable economic development. We worked to insure that all people have a chance to

lead a healthy and productive life and we think of that not just as our moral duty. It is also an indispensable ingredient for global stability and prosperity.

The President's recently published National Security Strategy set an ambitious agenda for our work. It calls on us to help prevent conflict, spur economic growth, strengthen weak and failing states, lift people out of poverty, combat climate change and epidemic disease and strengthen institutions of democratic governance. That is a tall order. But it is also the challenge that animates our entire team.

President Obama and Secretary Clinton have made it my mission to remake USAID into the world's premier development agency to meet the security and development needs of the 21<sup>st</sup> century. And today, I hope to discuss a little bit about how we hope to achieve that goal.

Let me take you back to Haiti for a moment and explain how that experience really helped me learn and helped me shape our reform agenda, which is now well under way as an agency. Really within the first week of my arrival at USAID, the earthquake killed more than 200,000 Haitians and it left an additional million people hungry and homeless. Just thinking about the scale of that tragedy, we continue to remember the victims and honor their memory and their resilient spirit.

Before I was sworn in, I'd heard a lot of grumbling about USAID. A lot of people said the agency moved slowly, that we lacked an ability to innovate, that we had lost our in-house expertise and capacity. As I witnessed in those early moments in those early days, the agency mobilized its energy with astonishing speed in Haiti. I really realized that many of the agency's detractors were overstating their case just a bit. Within hours of the earthquake, we dispatched urban search and rescue teams and specialists who helped pull 132 people from the rubble. Within days, our military got the airport operating at more than three times its standard operating capacity.

In fact, our team's entrepreneurial work was essential to meeting the urgent needs in those critical first few days and first few weeks. Rather than waiting to work through normal channels, we purchased local food stockpiles and immediately distributed them. Together with our partner, the World Food Program, we fed more than 3 ½ million people, the largest feeding program ever attempted in an emergency. And together with our partners, we vaccinated more than a million patients we believed to be at risk. To date, and we were quite concerned about this, there has fortunately been no major outbreak of disease.

Today, our professionals are helping Haitians build back better. Paul Weisenfeld is here and helping to lead that effort on behalf of our agency. And we're harnessing the power of the private sector and innovation as we do so. Just last week, we launched an initiative with the Gates Foundation to encourage the provision of financial services through cell phones. Mobile transactions, mobile banking transactions, are cheaper and faster than traditional banking, and safer from disruption due to natural disasters.

In fact, in the early weeks, getting money to people in Haiti was a real challenge, people getting access to their paychecks and access to their savings. Mobile banking has the power to reach hundreds of millions of people really around the world who currently lack access to a safe place to borrow; and more importantly, a safe place to save what limited assets they do accumulate. This new effort will make Haiti a hub for the mobile banking revolution and the innovation that needs to take place to develop the kind of breakthroughs that we need to solve this problem around the world.

We're also working to strengthen Haiti's resilience against future natural disasters by helping local construction firms learn how to erect low cost, yet stronger homes; a practice we learned, in part, by helping Peru rebuild from an earlier earthquake. And Paul was our mission director in Peru. At President Obama's and Secretary Clinton's insistence, every penny we spend is subject to concurrent audits by a member of USAID's Office of the Inspector General on the ground in Port-au-Prince.

So Haiti's recovery is just starting and will take many years. Development is a difficult, long-term endeavor and we face significant challenges especially as the hurricane season now approaches. And in some cases, we did need much more capacity than we had as an agency to respond adequately to a crisis of this magnitude. But the early results of the entire government's efforts have been encouraging, and they helped me shape my agenda for reform for the agency writ large. I learned that to bring out the best in our people, we needed to unleash the pent up entrepreneurial energy that existed within the agency and within our staff. We need to apply the latest learnings to the most pressing problems. And we need to encourage our staff to work shoulder to shoulder with our beneficiaries and partners in government, in civil society, and the private sector.

Our staff can succeed by acting like development entrepreneurs, by taking risks, finding new ways to stretch the dollar, leveraging the capabilities of really any willing partner and focusing on impact instead of focusing on either getting money out the door or other process indicators.

For example, based on studies that showed people were more likely to use chlorine tablets if they were distributed along with water, right at the point of distribution, we had asked the Haitian and Dominican truck drivers that we hired to distribute water to the camps and other settlements to also dispense purification pills at each stop. As a result, today more Haitians in Port-au-Prince are drinking safe water than pre-earthquake and diarrheal illness compared to pre-earthquake level has dropped by 12 percent.

My job as administrator is to make good on the President's promise to revitalize USAID by modernizing the agency and enabling every employee to make those kinds of judgments and those kinds of innovative decisions that can help improve results for every dollar we spend. And that's why I'm launching a comprehensive set of operational reforms designed to partner and deliver high impact, cost efficient development.

First, a global agency with 9,000 employees and an integral role in executing our foreign policy absolutely needs to have an intellectual nerve center. And that's why last

month we formed a Bureau of Policy Planning and Learning so we can achieve better results by becoming more evidence based and more impact oriented. Next month, the Bureau will host a conference of scientific leaders to identify how we can best support innovation. The polio vaccine, and I enjoyed coming in seeing a replica of a newspaper cover story about the polio vaccine on the wall, the polio vaccine replaced the cumbersome iron lungs years ago and made it possible to now nearly eliminate this crippling disease. We will ask these scientific leaders to help us understand how we can better support the next generation of breakthroughs; a malaria vaccine, drought tolerant maize for parts of the world that are dependent on rain fed agricultural production, and off grid energy for places that don't benefit from large scale energy systems.

We believe these types of breakthroughs could save millions of lives at a much lower cost than nearly any alternative long-term strategy. In addition, we will rebuild USAID's budget accountability with a strong focus on getting better results for U.S. taxpayers. We will pursue a development strategy that is based on focus, scale and impact. We will focus in fewer sectors in each of the countries that we work. We will pursue those efforts at much greater scale and will pursue those interventions that have the cost attributes and the scalability to reach a very large percentage of the population in need. And we will assess missions, our country missions, based on their achievements, not the process indicators that often substitute for real results.

Second, to achieve greater returns from our investments, we are writing a package of procurement reforms. We will insource program design and evaluation, saving money on contracts while building up our internal program management capabilities. We are redoubling our efforts to support local institutions and build local capacity. Working through local partners is often the most cost effective and sustainable way to invest our resources. I recently visited one of the 1,427 health huts in Senegal, Monday actually. In these huts, volunteers who are selected by their communities and trained by USAID and by the Senegalese Health Ministry, are offering life saving-- basic but life saving-- interventions to women or children who have health needs. Or they're referring them into the proper health system.

By training local health workers and hiring local staff for project management, the program lowers overall cost while saving more lives. And, it builds local capacity so that one day our aid will no longer be necessary.

Third, to get the best out of each employee, we are reforming our personnel policies. A development entrepreneur needs real flexibility and the ability to take risk. But at the moment, bureaucratic processes at our agency sometimes hold our staff back. In August, we will be inaugurating a set of changes that will cut back on red tape so our professionals can become more nimble at problem solving. These are incredibly capable professionals with 20, 30 years of experience in many of these fields, many of these sectors. And this will be a major step forward in unlocking our capabilities.

We will also be offering better opportunities to the 4,000 foreign nationals who are from communities where we work. We often underutilize the talents of these

important individuals who make up half of our workforce and also include doctors, engineers, I met a soil scientist last week, and former government officials. That will change as we change our HR policies and enable real rotations and career paths for these professionals.

We are also looking at ways to expand our civil service and to insure that our workforce represents the best that our nation has to offer. And because we recognize that USAID needs more in-house capability and expertise, we have already hired more than 500 new foreign service officers, and we're planning to hire at least that many more in the coming years. We are depending on these officers to bring fresh ideas, new energy and new practices into our agency.

For example, we'll be equipping them with flip cams so they can go and interview program beneficiaries, record what they're learning and propose real program improvements. In addition to making our work more transparent, really to the entire world, but certainly to our agency, this will build a culture of customer research that will make us more innovative and more responsive against the problems we're trying to solve.

Fourth, we need to do a much better job at monitoring and evaluation so we can easily identify what works, what doesn't work and why and implement changes quickly in our programs to optimize against that information. We will more than triple investments in baseline information collection, just the collection of basic data from the inception of programs so we can improve outcomes by checking progress and making course corrections as we go.

We are requiring rigorous impact evaluations of crucial programs right from their very inception. And, we're creating incentives for knowledge sharing to recognize the best evidence-based decision making in our agency. To do this, we will begin hosting a regular series of summits that we're calling evidence summits to study our own actions and explore real ideas for improvement. This will start next week with our after-action review on Haiti being held at the National Defense University.

Finally, our agency will embrace the concept of extreme transparency. We will meet President Obama's open government directive and seek to set a standard on transparency for the field of development. We are committed to making information about our investments public. We owe American taxpayers hard evidence of the impact their money is making. We owe it to partner governments so they can plan around our assistance, embrace our programs or ask us to make changes so that we are more aligned with their basic strategic approach. And we owe it to the citizens, civil society and media that follows our work so that they can hold us and our partners and our partner governments accountable for real results.

As a first step by the end of the year, we will have a readily accessible geospatial map of all of our programs available in certain pilot countries. It will be available online in an accessible and understandable manner. So that's my reform agenda of high impact development. Taken together, I very much hope that these reforms will mark the most

significant operational improvement to our nation's development agency since President Kennedy announced the creation of USAID almost 50 years ago. Our anniversary is next fall, so we're working against that timeline.

And really a more efficient, results-oriented agency is needed now more than ever. In the five decades since our founding, the role of USAID in supporting our national priorities, particularly our national security priorities, has certainly evolved. America's greatest security challenges are no longer state based. Extreme poverty compromises basic human dignity, banishes hope for the future, and paves the way for the rise of transnational extremism.

We can meet these challenges through the President's signature long-term initiatives which are designed to meet the millennium development goals. I think many of you know, the millennium development goals represented the global community coming together and describing how we could address poverty, suffering and hunger nearly a decade ago. Our administration has launched a feed the future program to reinvest in agricultural development and a major global health initiative to prioritize women and children's health so that we can achieve better outcomes for some of the poorest communities around the world.

In both initiatives, we're applying new ways of doing business to achieve more transformative and sustainable results. In our fight to end hunger, which now reaches, unfortunately, more than a billion people worldwide, Secretary Clinton committed us to work in partnership, not patronage. I just returned from West Africa earlier this week where regional leaders from countries throughout West Africa presented their own food security plans and committed to nearly doubling their investments in food security. They identified strategic interventions for eliminating hunger such as investing in improved maize or investing in reducing barriers to trans-border trade so that food can go from food surplus regions to food deficit regions.

We will coordinate with other donors to invest in these country-owned plans because it is less costly and more compassionate to prevent famine than it is to feed the starving. And we will make sure these plans focus on women who make up more than 70 percent of all agricultural producers in sub Saharan Africa and are a big part of the solution.

But a modern aid agency must work with a link between the opportunity to lead a healthy and productive life and our own national security is stronger. Since the beginning of the civilian uplift in March 2009, USAID has more than tripled its staff in Afghanistan. Right now, USAID field personnel are working side by side with our troops across that country. In Kandahar, our development officers sit at the table with company commanders and an Afghan governor designing a project to reconstruct an irrigation canal. In Helmand, marine squads patrol with our advisors engaging the local community to build more representative forms of local governance including local councils and local shuras. In Arghandab, a district just outside Kandahar that I had the opportunity to visit earlier this spring, pomegranate orchards are springing back to life, creating jobs and

economic opportunities where USAID has helped communities to essentially rebuild the basis of their economy after it had been destroyed.

What we've learned in these contested communities is that the process of working with local leaders to do this type of work is just as important as repairing roads or digging well. When our assistance is filtered through local governing processes, we help repair not just the road, but we help to build real governance in a community.

As so much of our focus is justifiably on the challenges in front of us in Afghanistan, it's important to recognize how far we've come. Where development efforts have taken root, we have been able to make real improvements in the lives of the Afghan people. We've improved road infrastructure to increase trade and ease mobility. And created educational opportunities for millions of children and extended basic healthcare to now nearly 85 percent of the population. The health initiative is of particular interest where a group of donors have come together to work in a very coordinated way through the Ministry of Health. And since 2002, infant mortality has fallen by 22 percent.

So where you find USAID in the field, you will see what I saw in Afghanistan and in Arghandab, committed public servants putting their lives at risk to keep our nation safe. One of them, Bob Hellyer, is here today and he'll be heading out there very soon. Bob, we thank you for your service.

Sustainable development is essential to sustainable national security. The world has changed in the last decade, and the development community, starting with our agency, must change, too. We have to become development entrepreneurs and through our ambitious reform agenda, we hope that we will be able to do that. We have to make innovation a core part of our approach because this work is challenging and difficult and we have to learn as we go and get better every day. And we have to work in a spirit of real partnership; partnership with the government that we're working with, partnership with the communities that we're trying to support, partnerships with civil society and the private sector, and many of the new actors in development, large or small private foundations. Different technology providers that are using applications of mobile based technology in particular to create new options and opportunities for some of the poorest communities in the world.

I really believe if we do all of this, and if we make our work extraordinarily transparent to the American public and publics around the world, that development is said to have a tremendous future. And that's because of what we saw in Haiti. At the end of the day, we have the best mission in the world. Our mission is about bringing hope and opportunity and benefits to people who suffer greatly, who don't benefit from an increasingly interconnected world and who still suffer from diseases or hunger that we know we can conquer and we know we can solve.

The opportunity to be engaged in that mission is a tremendous one. And when we saw more than half of all families in this country give to the Haitian earthquake response effort, we know that people have a thirst for participating in this mission. If we make it



accessible, if we show we can do it efficiently, if we give people confidence that we can use sound strategy and real analytical thinking to actually solve problems sustainably, I'm convinced that a development enterprise will have much more relevance in the next 50 years than we had in the first 50. So thank you. I appreciate the chance to be here with you today, and I look forward to taking some questions. (Applause)

**MR. BJERGA:** And thank you for your willingness to take questions today, especially given your very ambitious travel itinerary, as you were describing in your remarks. A lot going on at USAID, as you have outlined, and lots of questions about your initiatives. First question, right now the State Department and USAID are in the middle of their overall policy review. The White House is doing its own policy review as well. Will either or both of these be released to the public, and when? And what has your role been in this process?

**DR. SHAH:** Well, that's a great question. Both will be released to the public, and in both cases as soon as possible. I believe the presidential study directive, which is one of the things to which you referred, perhaps will be public sooner. The QDDR, which is the Quadrennial Development and Diplomacy Review, which was launched by Secretary Clinton will be publicly available this fall.

But throughout both processes, we've really been consulting widely with stakeholders, with partners, with leading thinkers and with our partners on the Hill to really learn a set of ideas for how we can improve our development enterprise and our development policy. And the QDDR, of course, is even broader as it includes the diplomatic mission as well.

**MR. BJERGA:** The overall concern you'll see expressed in the development community is that after these reviews, control over policy and budget could be given to Secretary Clinton rather than your office. Is that something you would object to, states as they are better positioned to fight for USAID if they have control over the organization. Do you agree?

**DR. SHAH:** Now you're trying to get me in trouble. Look, I proudly work for Secretary Clinton. She is an incredible leader. For anyone who has followed, as I assume everybody in the National Press Club in Washington, D.C. has followed the arc of her commitment to these issues, it's tremendous. And so, she is elevating development, making USAID a more significant and more important and better resource organization. I just had a chance to meet with her yesterday, I believe, and all of the aspects of this reform agenda are very much a part of her belief system. In fact, she demands greater accountability and greater outcomes and greater results for us as we put resources into development.

This administration overall is really committed to elevating development in a different and fundamentally important way. Secretary Clinton is a very unique leader and a tremendous champion for development. The President himself has a unique relationship to development and to this agency and has a deep knowledge and understanding of this

work and is incredibly supportive and also insistent that we expand our effectiveness, our transparency, and really put all of the best practices of this field as it has evolved in the last few decades to work on behalf of American taxpayers.

And perhaps uniquely, you have a Secretary of Defense and a Chairman of the Joint Chiefs of Staff that are out there talking consistently about how we need to have more resources in development, we need more capabilities in our development enterprise, and we need to do that with a greater focus on outcomes and results. So, I actually see all of this coming together as really elevating development, elevating all of the different parts of development policy. And certainly elevating in a very significant and fundamental way USAID.

**MR. BJERGA:** How much of USAID's role is diplomatic versus humanitarian? And how has that changed under your leadership?

**DR. SHAH:** Well, I don't know that diplomatic is the right term. We are a development agency. We have a significant portfolio of activity in humanitarian relief. And, of course, USAID is the first lead responder in humanitarian emergencies. But we do that, as you saw in Haiti, in real coordination with so many other parts of the federal government that either bring unique capabilities or other assets and skills to the table so we can optimize our efforts where we work. Because at the end of the day, it's not about what agency's doing what, it's about how many people in Haiti have you supported and in what kind of manner.

In terms of our development mission, the bulk of our agency is focused on long-term sustainable development and we have missions in more than 80 countries around the world that are actively building the expertise and the knowledge and the partnerships and the relationships to carry out that mission to excellence. So we have a lot of work to do, but I would frame it that way.

**MR. BJERGA:** As you mentioned, your background comes from the Gates Foundation, where you worked for several years. And you talked a lot about creating development entrepreneurs and greater accountability and accomplishment rather than process oriented evaluations. Increasingly, foundations and humanitarian groups, such as the Gates Foundation, seem to be getting into the foreign aid business. Large amounts of money are being expended. The question is how does that affect the work of USAID? And as a former executive of the Gates Foundation, how would you describe the differences in effectiveness of private foundations like that and a government organization such as USAID right now?

**DR. SHAH:** Well, that's a great question, wherever it came from. It is a different world in development today than it was 10 or 15 years ago. Private foundations are part of that, and certainly the scale of a foundation like the one that Bill and Melinda Gates have created and run is a unique attribute in that landscape. But you also have organizations like the One campaign and Bono who are out there not just advocating for development, but engaging deeply in best practice, in studying the differences between

different development strategies and suggesting that a more entrepreneurial, more transparent approach would make a big difference as we go forward in the future.

And you had different kinds of partners, big corporate partners like PepsiCo and others, that engage on various value chain programs. I believe Coca-Cola has launched a program in Haiti for fruit juices. So, the field of development is certainly much broader today, I believe, than it was a while back.

In terms of private funds, I think they play a very unique and incredibly important role. They can often take tremendous risks, they can work for a very long time in a very focused area like getting a big breakthrough, like a new AIDS vaccine that would-- if you look at 38 million people around the world who have HIV/AIDS, the way we're going to solve that problem over time is prevention and treatment and hopefully a breakthrough in new technology like a vaccine that can be used more cheaply and more effectively.

So they play a very unique role. But that actually should only highlight that the public sector should be doing more, it should be doing more effectively. We can also invest in science and technology. We can also take risks and stay focused. We should also be incredibly oriented around using our resources in a results-oriented way and trying to get as much leverage as we can from every investment we make so we're not reaching 7,000 farmers in a part of Senegal, we're reaching 200,000 in a sustainable way because we've attracted private sector and we've built a new public/private partnership that can take that forward.

I also think there are a lot of opportunities for development agencies now to partner with the Gates Foundation, or any other foundation, or any other enterprise that's out there because those types of partnerships often bring different skills to the table, different types of resources to the table. And for some of the big breakthroughs, like if we're really going to have a mobile banking capacity that lets hundreds of millions of rural lower income women have a safe place to save resources, that would be a huge value add to the world. Those kinds of breakthroughs probably require technology expertise, corporate expertise, public sector investment, engagement with regulators and countries. You need to build those kinds of partnerships to get the really big wins. And I'm thrilled that our agency is sort of jumping into that. We have a great history through a group that has been doing public/private partnerships for more than a decade. And that is now paying off in our capacity to move very quickly to do these types of deals and transactions.

**MR. BJERGA:** We have several questions on the Feed the Future initiative and food security as a topic. Many organizations have suggested that in addition to agricultural development in nutrition, a comprehensive approach to addressing hunger should include emergency response activities and safety net programs. Can you discuss how Feed the Future will insure that emergency response and safety net efforts are incorporated into a comprehensive government-wide approach?

**DR. SHAH:** That's a great question. I love these questions. That is exactly what we're trying to do with the Feed the Future initiative. We had this wonderful event earlier this week. I keep thinking-- what day is it? It's been such a great week. But earlier this week, we had an event called the World Food Prize, which honors Dr. Norman Borlaug, who is father of the green revolution and a tremendous leader. I've had a chance to get to know him, but those of you who have know his absolute commitment to winning the war on hunger.

To do that, we're going to need to use every tool at our disposal smartly. That includes science and research to create new breakthroughs. It includes real extension systems to get goods and inputs to small farmers and to help them produce more. It includes innovative ways to reach women, in particular, who have really been left out of the agricultural development programming and are the key to success in the future.

But it also includes bringing the private sector in so that you have large scale buyers and market demand, bringing policymakers in so they can make the tough, but important, decisions to reinvest in agriculture as so many partners around the world are now doing. And it, of course, includes providing safety net programs and feeding programs to vulnerable populations.

I was most recently at USDA before coming here, and I like pointing out that the USDA budget is-- I think more that \$60 billion goes into supporting programs that make food accessible to lower income and needy populations here in the United States. And if you look across any country's food system, really tackling hunger requires working both on the production side and on the side that insures access to vulnerable populations. And when you look at what's happening in the world right now, I was in Bangladesh, where 47 percent of kids under five in Bangladesh are stunted. That means they suffer chronic malnutrition. And that means at that are that they're going to slow their brain growth, their ability to learn, their ability to thrive for the rest of their lives.

It doesn't have to be that way. We know the tools to solve that, and that's why we're so committed to bringing all of the tools of the federal government together in order to win this war on hunger.

**MR. BJERGA:** Talking about food accessibility, in your address you mentioned briefly some of the efforts that you've been making in terms of reducing barriers for food transportation between countries. One of the issues you'll find in the development community and the agricultural community deals with the issue of local regional purchase. One of your predecessors, Andrew Natsios, has been very vocal in saying that the U.S. has to shift its food aid programs which are currently based on selling U.S. farm commodities overseas toward a local and regional based purchase program where you would be putting cash-- it's supporting local agricultural development and possibly getting food to needy populations quicker. Do you share Mr. Natsios's opinion that the U.S. needs to make a major shift from commodity-based purchases to local regional purchase? Where does that fit in your hierarchy of food security initiatives?

**DR. SHAH:** Well, first let me say that I have benefited from knowing and being friends with Andrew for some time. And before I started, I went to visit him at Georgetown and asked for his guidance and advice. And he said, “Well, you know, this is all-- your agenda’s all great and very exciting. But you have to be prepared because if there’s a major emergency, you’ll have to drop all that and focus on that emergency for as long as it takes to make sure that we get it right.” I said, “Well, Andrew, thanks for that. Boy, I really don’t think it’s likely. This is about the first hundred days and what are the chances that’s going to happen in the first hundred days?” And he said, “You never know.” So I saw him shortly after the earthquake and pointed out that he was quite right.

Well, look, it’s absolutely true that we have to have both food assistance. The food that we provide through food assistance programs, I’ll give you one example. We send corn soy blend which has a higher protein content as part of school feeding programs and Secretary Vilsack and I had a chance to jointly visit a program in the slum in Kibera in Kenya. And we met with probably 300 kids that were in a school getting a little red cup filled with corn soy blend. And we asked as many kids as we could, what was the most important part of school for them? And it was getting that cup of high protein food.

We have to just remember that our food assistance plays a critical role in supporting vulnerable populations around the world. And the examples go on and on. At the same time, we have real opportunities to use local procurement to create the kind of markets for small scale farmers that can help lift them out of poverty through their own hard work and their ingenuity. And so our Feed the Future effort is doing just that. USDA has invested in those types of efforts, as have USAID. So, it’s very important to have both sets of tools at our disposal. Because, again, to address hunger we really-- if we’re going to win, we need to use every tool at our disposal.

**MR. BJERGA:** You’ve stated on several occasions that in development, and specifically in agricultural development, women are central to USAID goals and activities. What exactly, specifically, are you doing to promote this?

**DR. SHAH:** Well, that’s a great question. It’s a great question because USAID is one of the agencies that two decades ago started kind of the drumbeat that women and girls are critical to development. And we know we’ve seen study after study that shows that an additional dollar of income that goes to a woman is far more likely to be invested in the children in that family, in improving their nutrition, their access to school and educational opportunities and their ability to pull their communities out of poverty towards a more successful life. And yet, when we look at the millennium development goals, and they’ve established goals for hunger and poverty, for health, for human nutrition, for education across the board one area where the goals have been slower than others is on those things that touch on women and girls. Maternal and child health is an example of that.

And so this administration has really tried to focus on concrete, specific things we can do to support women and girls access to these programs, to policies that will enable

their success. And we're doing a lot of very specific things. In our health program, for example, we're really focused on maternal and child health and trying to reinvest in those specific interventions that we know can be protective, particularly in the-- there's this critical thousand-day window when from the minus nine when women are pregnant to two years out. And in that window, we know that that's where you win or lose the fight against nutrition for both mothers and children. And so we're very targeted and focused on that particular problem.

But we can also do a range of other things. We can focus on very concrete operational decisions that will drive benefits in programs to women and girls specifically. In our Feed the Future effort, we will collect women's incomes in a disaggregated way so we can track outcomes very specifically for women. We will insist that people who are hiring extension workers to reach farmers, hire women so that because we know that women are more likely to reach out to other women and they're more effective at providing benefits in that context, especially as they relate to agricultural vouchers or inputs or knowledge and information.

So there are a lot of different things we can do, but we have to become really strictly operational about making the Secretary's commitment and our general commitment to women and girls a reality around the world. We have to get beyond the knowledge that it's important.

**MR. BJERGA:** Final question on food security, for the moment. The administration suggests it wants to work with the private sector on food security. What exactly does that look like? How does the government best leverage private sector innovation, resources and thought leadership?

**DR. SHAH:** There are so many ways to answer that, but let me give you one example. I was in Senegal visiting a company that is the first company to do ultra pasteurized milk distribution in that country. And when they think about their dairy market, they're actually looking at a huge unmet need for dairy products in Senegal. They have a unique system for essentially collecting milk from small scale dairy producers around the country, most of whom are women and most of whom are small scale producers who otherwise will have a little bit of milk for their family and then will take the rest and either give it away, or more likely they'll just lose it to waste and spoilage.

Instead, this company together with USAID and our partners are investing in creating specific milk collection hubs that are chilling facilities so people can go get a voucher, get a financial return for taking their excess milk and putting it into a formal dairy system.

In country after country, if we can make that kind of opportunity available to tens or hundreds of thousands of small producers, we can see the kind of large scale change that India, for example, saw with the Amul dairy and what has been called a dairy revolution that really changed the income profile of hundreds of poor communities in

India at very, very large scale. So this can succeed and it can succeed if we're smart and strategic about it, and that's just one example of how we work with the private sector.

**MR. BJERGA:** Variations of this have been the most commonly sent-in question today. How is the agency tackling corruption issues in countries where graft is endemic? Are there reliable ways to insulate and monitor projects to keep funds going where they need to go?

**DR. SHAH:** That is a great question and we have no tolerance for corruption in any of our programs. It's why we have the inspector general on the ground, in Port-au-Prince, in Haiti, helping oversee disbursements and contracts. It's why we have teams of inspector generals in Afghanistan and Pakistan that very rigorously evaluate flow of funds. I think in addition to that, we do a number of things to help address that issue. We invest in civil society and organizations like Transparency International that can make funds flow more transparent so people can see where resources go and trying to build real accountability for public resources in particular.

USAID does have a lot of contracting mechanisms we can use to protect or shield the flow of our funds. And we recognize that it's absolutely imperative to not put those funds at risk. At the same time, we do want to partner with countries. And one of the things we can offer countries that are working actively to improve their public management systems, to build transparent public procurement systems and to apply practices of sound and transparent financial management. Once they do those types of things, and once we certify that they've done it, and if we have a system for monitoring that, then we can invest in those types of vehicles as well. So it's a nuanced approach, but we are absolutely committed to protecting U.S. tax dollars against corruption at really all costs.

**MR. BJERGA:** Could you describe some of those systems and principles specifically in the context of Afghanistan?

**DR. SHAH:** Sure. Well, Afghanistan is a great example because we've gone there from about 8 ½ percent of our overall spending going into public related mechanisms to about 13 ½ percent. And we expect that to go up. And the Ministry of Health is a great example. We spent years building a procurement system working with the ministry embedding our own experts and our partners' expertise in the ministry to create the kind of procurement vehicle that we could use to invest resources.

Once we insured that that was transparent and safe and we could monitor, we started using it and we brought other partners in as well. The benefit of that was that a lot of other partners could use the same funding pipeline and it allowed for much better coordination with the ministry. It allowed us to work with the ministry to define a basic package of health interventions. And the result has been really quite impressive in terms of the rapid ability to scale that basic package to now nearly 85 percent of the population.

So this agency can do really extraordinary things, but sometimes it takes time and we have to make sure that we build accountability into everything we do.

**MR. BJERGA:** This morning, the administration announced eight Global Health Initiative countries. For organizations working in these countries, what can be expected as the next step for GHI implementation?

**DR. SHAH:** Well, that's a great and timely question because we did just make that announcement today and we're proud to have these GHI plus countries as part of our portfolio overall. The Global Health Initiative is really about looking at how we work in countries and trying to get more for our collective investment across USAID's investments, across the investments made by the Centers for Disease Control, and across PEPFAR and so many other aid programs that touch on the health sector, including the National Institutes of Health.

So it's a way to bring our work together and get more outcomes for resources that are going in. And, it's a way to live out the principles we've articulated for our agency, that we want to work in partnership. We don't want to build a parallel system of service delivery in countries, we want to know what is the country's plan for their health system and how can we align our work with that plan? And how can we help them build the capacity to sustain these investments over time so that our commitments are not endless.

And so what our country teams are already in the process of doing is coming together across the interagency, developing a shared health system strengthening approach to global health in those places, reinvesting in smart, evidence-based strategies for reaching women and children, maternal and child health in particular. And focused on where they can get the most leverage by working together.

What that means for our implementing partners is that we would ask that you work with us to design programs that abide by those criteria, that you work with us to work across agencies and across programs. And that fundamentally you work with, as so many of you already do, you work with country ministries and country systems so that we can make the work that we do really country owned and country managed. And over the long term, we can see a path for success and sustainability.

**MR. BJERGA:** The reconstruction effort in Haiti will require multi-sector approaches. How will USAID link shelter reconstruction assistance to job generation and economic growth, improved access to clean water and basic sanitation as well as improved education opportunities?

**DR. SHAH:** Well, that's a great question. I might ask Paul to help address it. Part of what we're doing is what I talked about in my remarks, which is just one example. But helping to train local firms in modern and in code-specific construction methods and using those types of construction materials, is one way to insure that as resources are spent in the reconstruction, they lead to the creation of local economic opportunities and a vibrant local private sector that can then sustain the Haitian economy over time.



If you look across a range of sectors and you take that basic approach, that's a big part of how we're trying to do that. By marrying expertise from here with expertise and management capability that exists in Haiti. We think we can use this new model. And in many cases, we've learned from how we did this in other parts of the world, what works and what doesn't work. And we're very much trying to build a vibrant, long-term, sustainable and one day prosperous Haiti as a result of this tragic event.

**MR. BJERGA:** One of the challenges in Haiti is that it has the highest per capital tuberculosis burden in the Latin American and Caribbean region. The current tuberculosis vaccine is almost 90 years old and is becoming less effective. What support may USAID offer to support the research and development of new TB vaccines?

**DR. SHAH:** Well, we already both directly support and work with the National Institutes of Health that does a lot of work on creating new health technologies, and in particular new vaccines. HIV, TB and malaria vaccines are amongst the most important in terms of having the kinds of technologies that can actually over time really eliminate these diseases. And there have been big breakthroughs on the development pathway for each of those so we continue to work with a global expert community to do that. And we envision intensifying our support and our engagement with other federal science partners to really get real outcomes as quickly as possible.

In TB, there are some other great breakthroughs that are even closer, like improved diagnostic technologies that can help rapidly assess at low cost the type of TB someone has and that can affect the treatment regimen. So there are a lot of great opportunities in investing in a range of health research items and we're proud to be supporting a number of those public/private partnerships that do that work and also will continue to expand our efforts in that area.

**MR. BJERGA:** More globally, looking at AIDS prevention, the U.S. has been funding organizations that fund AIDS prevention through a strictly heterosexual lens, neglecting men who have sex with men because of cultural taboos. How does USAID try to meet the diverse needs for HIV/AIDS prevention?

**DR. SHAH:** Well, you know, HIV/AIDS prevention-- first, it's important to note how important HIV/AIDS prevention is. Even as we've seen big successes with the President's emergency program for HIV treatment, a lot of what that has enabled is giving people a sense of real hope and then that encourages voluntary testing and counseling, it encourages access to a broader range of prevention programs. We have to do a better job of getting more cases and infections averted if we're going to be successful at changing the epidemic writ large. And there is, of course, a lot of science and a lot of research going into what are the best methods. There have been particular recent insights into everything from male circumcision to how particular behavioral programs and engagements can be effective at large scale. And we're trying to learn from all of those and recalibrate our programs so that we're fundamentally an evidence-based approach to HIV prevention.

But this is one of the big challenges in global health, is really understanding what the interventions are over the next decade that will really help make huge reductions. And where we've seen-- I just came from Senegal where they had early on in the course of the epidemic a lot of public leadership, very forward-looking policies, used access to condoms and other interventions. And they were very successful at keeping the prevalence rate under 1 percent; I think it's .7 percent today. So we know that success is possible and we need to be much more aggressive and focused about getting the new infections averted.

**MR. BJERGA:** We're almost out of time, but before asking the last question, we have a couple of important matters to take care of. First, to remind our audience members and guests of future speakers. On Monday, June 21<sup>st</sup>, Dr. Edward Miller, Dean and CEO of Johns Hopkins Medicine will discuss notable aspects of the new healthcare law. On June 23<sup>rd</sup>, Oliver Stone, award winning film director whose latest film is "South of the Border," will speak about the movie, making it and the political issues it addresses. And on July 7<sup>th</sup>, Venus Williams will be here to address a luncheon.

And also on sports, don't forget, on July 17<sup>th</sup>, the National Press Club will once again be hosting the National Press Club 5k, Beat the Deadline, and you beat the deadline for early registrations before June 30<sup>th</sup> to help the Eric Friedheim National Journalism Library to register for the race. Go to [www.press.org](http://www.press.org).

With that, we would like to present our guest, the moment we've all been waiting for, the traditional National Press Club mug.

**DR. SHAH:** Ah, thank you. (Applause)

**MR. BJERGA:** And now, our final question. It is inevitable when one reaches a position of National Press Club speaker and head of a major government agency at a relatively young age, comparatively, to a lot of the people we have speaking here, no commentary on them, no commentary on you, you've worked for the Gates Foundation, you've worked for the U.S. Department of Agriculture as its chief scientist. You are the head of USAID. But for some people in this room, that is not enough. Final question: development experts have said the USAID chief position should be elevated to cabinet status or to a seat on the National Security Council. Do you agree? (Laughter)

**DR. SHAH:** I thought you were going a different place with that question. In case anybody wanted to know, I really wasn't running for President at all any time soon. Look, I think it's incumbent upon us to get this reform agenda enacted and to make USAID the most effective and strategically significant development enterprise anywhere in the world. I have now seen what our people are capable of. I know we can be successful at that. And I know in this administration we have a huge amount of support for development at all levels.

I've been fortunate to have as much access as I could possibly ask for to help carry out this mission. Secretary Clinton has been to our building to express her support, Michelle Obama came to do the same. We have supporters everywhere. What we need to do is execute on our mission. And I really believe it's the best mission in the world, which makes this one of the best jobs in the world. So I love it and I'm very excited about it, thank you. (Applause)

**MR. BJERGA:** And thank you for coming today. We'd also like to thank National Press Club staff including its library and broadcast center for organizing today's event. For more information, check out [www.press.org](http://www.press.org). Thank you. This meeting is adjourned. (Sounds gavel.)

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