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WAYNE NILSESTUEN

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INTERVIEW

Q: Today is Wednesday, November 15th, 2023, and I have the pleasure of interviewing Wayne Nilsestuen. In starting, Wayne will share with us his background as a youth going through his education and pre-AID activities up through his first assignment as an IDI with AID in Pakistan in 1974. So Wayne, welcome, and we look forward to hearing your story.

I. THE EARLY YEARS

1946 - 1973

I was born in 1946 and raised in Arcadia, Wisconsin, a small farming community in West Central Wisconsin. I was the third of six children. I had two older sisters and three younger brothers. The family farm was very diversified with a milking herd, chickens, pigs, sheep, even a team of horses. With no hired help my father entrusted me to drive the little Ford tractor for haying at an early age. My legs weren't long enough to stop the tractor because I couldn't reach both the clutch and the brakes at the same time. To stop, my father had to hop off the hay wagon and onto the tractor when the hay wagon was fully loaded. So very early on, the farm was very much a part of my life. I took on responsibilities and learned the rhythm of farm life. That said, I decided by the time I was in eighth grade that I would defer to my three younger brothers and their interest in farming. They could stay on to run the family farm; I decided I wanted to be a doctor.

The hometown doctor was extremely pleased that a farm boy in the community actually aspired to be a doctor. He invited me to the hospital to see surgery, an appendectomy. I scrubbed and put on a gown and a mask and entered the surgical suite and watched as the surgical team began the operation. The next thing I knew, I was in the bathroom off the surgical suite with my head over the toilet, I had passed out. The doctor, undeterred. He invited me back for a tonsillectomy, with the same results. He invited me back a third time, reassuring me that skin grafting didn't involve much blood. I went back a third time and again I passed out. The irony was that I had seen lots of blood, performing "surgery" on chickens and livestock. It wasn't the sight of blood. It was cutting human flesh that triggered me. Undeterred, I decided to pursue my dream of being a doctor.

In the fall of 1964, I went off to Wisconsin State College in Eau Claire for pre-med. I didn't thrive in the sciences and math but I hung in there until my junior year when organic chemistry finally forced me to confront my aptitudes and interests. I turned to what I liked, majoring in English literature, minoring in history, and signing up for philosophy when my schedule would permit. As it turned out, the writing and reasoning skills I acquired served me well when I later joined the United States Agency for International Development (USAID). In the spring of 1968, facing the imminent prospect of the draft I decided to apply to Peace Corps which consisted of taking a language aptitude test and specifying where I would like to serve. Having taken an African history course, I wanted to go to Africa but not teach English. I naively wanted to experience

“authentic” African village life, hopefully “uncorrupted” by Western colonialism. Later that spring I was offered an assignment to teach English in Sierra Leone, West Africa.

I prudently accepted the assignment rather than risk the draft, graduated in May and received a deferment from my draft board. I booked my first ever flight and headed to Philadelphia for five days of staging for travel documentation, briefings and a medical and a dental checkup. Most memorable, I spent 2 hours in the dentist’s chair where the dentist froze my mouth, right to left, top and bottom. When he was done, I learned he had done 37 fillings although I had no history of dental problems. I was convinced the guy was unscrupulous. Working on a commission, paid by the filling. But there was no recourse and fortunately no dental repercussions during the next two years.

With the staging completed, we made our way to JFK airport in New York and boarded a chartered Boeing 707, 137 volunteers, all bound for Sierra Leone to serve as either primary or secondary school teachers. I was a little intimidated because there were students coming from California and New York, from Ivy league colleges and prestigious universities, and clearly they were much more experienced and sophisticated than I felt. I remember feeling that they look like they know what they're doing and what they had signed up for. We flew non-stop into Freetown, landed but were not allowed to deplane. The plane was surrounded by the army and we were held there for several hours while the plane grew hotter and hotter, sitting in the tropical sun. The press had been covering rumors and speculation about white mercenaries possibly intent on toppling the government. Managing this tense political moment, the government decided to allow us to deplane. As we stepped off the plane, it was quite a sight to find ourselves surrounded by armed soldiers. We boarded buses and were driven to Fourah Bay College, high on a mountain overlooking Freetown.

For several weeks we were held at Fourah Bay college where we studied Krio (patois English, the lingua franca, although English is the official language) , received some introductory cultural training and learned a bit about Sierra Leone’s history, geography and ethnic/tribal composition. Having never studied a language, I found Krio a challenge. With concerns about white mercenaries receding, we were placed with families in Freetown but instructed to not congregate in groups of larger than two, so as not to arouse suspicion. We ate breakfast and dinner with “our” family who seemed more interested in minimizing the cost of feeding us than getting to know us or offering opportunities to connect and learn about the country. Nevertheless, it gave me an opportunity to learn an important life lesson. I decided I would try everything served and like everything unless irrefutably proven otherwise. Fufu proved beyond the pale, eaten by rolling fermented cassava into a tight ball, dipped into palm oil and dropped down one’s gullet. When I returned home from Peace Corps, I discovered that many things I hadn’t liked, I now enjoyed once I tried them.

For the last part of our in-county training prior to our site assignments, our Peace Corps group was taken to Njala college where staff offer basic training in vegetable gardening and other horticultural topics that were potentially relevant to volunteers’ future assignments. Many volunteer teachers started or supported vegetable gardens at their

schools. Njala was an agricultural school that had received technical assistance and training from the University of Illinois with USAID funding. It carried out crop research and offered post-secondary training. At that point I knew very little about USAID and I never encountered anyone working with USAID support while I was in Sierra Leone.

I set off for my assignment, Yengema Secondary School, a boys' school with 5 "forms" or classes, based on the British model. Yengema was located in the heart of Sierra Leone's diamond mining area. In fact, the school sat on alluvial diamond mines. The diamonds were in shallow deposits. Consequently, all one needed was a shovel and a shaker (screen) to mine for diamonds. Thousands of young men swarmed in from distant parts of Sierra Leone, Guinea and Liberia to try their hand at illegal diamond mining creating a culture and economy not unlike the California Gold Rush period. Many sand-sand boys found enough small diamonds to make it worth their while. Lebanese shopkeepers bought the diamonds cheaply and shipped them off to Antwerp where they would be cut, polished, and marketed. The Lebanese shop keepers got rich while the sand-sand boys chased their dreams.

Yengema Secondary School had about 400 boys enrolled. The faculty consisted of Father Barry, the principle, Father Flanagan the vice-principle, 6 Irish contract teachers, 5 Peace Corps Volunteers, and a number of Sierra Leonean junior faculty members. Father Barry had a vision of replicating Boy's Town, a model in the US where students learned life skills like construction and farming as well as a traditional secondary school education. I was to be Father Barry's chosen instrument. I was delighted with the opportunity to develop vocational classes but my skills acquired on a dairy farm in Wisconsin bore little relevance to tropical agriculture. Fr. Barry gave me a lot of latitude to define the hands-on programs and skills I would teach but he also asked me to supervise the construction of boarding houses. When the school day ended, the boys were required to work a couple of hours in the heat of the day. My job was to supervise and oversee the work as walls were raised with concrete blocks.

My "vocational agriculture course" began with vegetable gardening, taking my classes out to prepare raised beds. It was the rainy season so we planted above the swamp. The boys hated it. They had succeeded in getting into secondary school and they believed they had escaped the bush. Their destination was a better life. They hoped for the opportunity to become a primary school teacher, a petty bureaucrat or whatever might be their ticket out of the "bush". But the boys who took my class were C-stream students, those who were not expected to pass the secondary school and graduate and they needed an alternative. The boys dragged their feet, taking forever to build the raised beds and then plant vegetables. By then the rains stopped and the vegetable withered. Undeterred, we started over again building raised beds in moist soil on the edge of the swamp. Once again, the boys resisted until the rains returned and flooded out the vegetable beds, now located too near the swamp. These failures prompted me to look for alternatives.

As a kid growing up on the farm, I had raised chickens. I decided to launch a poultry program. I wrote a proposal to CARE for funding but was turned down. Too much money they said. I wrote home, as I regularly did, telling my parents about my experiences. My

father was on the governing board of the local cooperative. He took it upon himself to ask the co-op to donate. Totally unexpected, the co-op donated \$1,000, quite a sum of money in 1969. With this funding, we were able to build a 300 bird broiler house and later a 400 bird laying hen house. I organized the boys into a quasi-cooperative so that they would share the profits. They learned by doing, taking care of the chickens, recognizing poultry diseases and feeding them properly. They also learned how to slaughter the birds, de-feather them, and dress them out, ready market. There was a ready market for the broilers. Just a mile away was the headquarters of the big South African owned, British operated, Selection Trust Diamond Company, with a sizable expatriate staff. The company store had large cold storage. They purchased everything we produced. When the layers came on, there was a demand not only from the mining company store but also from small shop keepers in town.

While Yengema was not a typical African village I nevertheless felt that I had given some of the boys the knowledge, experience and skills to launch their own poultry business. Only later, when I went off to graduate school did I realize I had not considered scale, sustainability or replicability. The poultry projects thrived while I was there and the students participated enthusiastically, enjoying their share of the earnings. After I left, I understood that a few of the boys did give it a try, modifying their techniques. I don't know how sustainable their efforts were. I think in general that their training would have had more impact if I had adopted more appropriate technology.

My 2 years in Peace Corps provided me with other opportunities to broaden my horizons. I traveled extensively, first in West Africa. When students rioted on a December morning, fueled by simmering resentment over the compulsory requirement that students spend hours in the hot tropical afternoon sun laboring on boarding house construction, Fr. Barry shut down the school. With nothing to do, Dave Agnew, one of my PC house mates, and I decided to explore Nigeria, undeterred by the BiAfrican War. We landed in Lagos, planning to hitchhike and hook up with PC volunteers to trade stories and find a place to sleep. We made our way to Ibadan, where a volunteer loaned us his motorbike to explore the city. With a camera slung across my shoulder, we toured the city until we were detained for questioning by army troops, on suspicion that we were spies. Released after several hours, we decided to move on and headed to the city of Kano in the far north. We discovered a very different world on the edge of the desert, filled with mosques, people dressed in robes and the daily rhythm marked by the call to prayer. We turned south to head for Jos on the Benue Plateau, determined to get there although it took us 2 days to get a ride and our reward was that we made it. Little of note caught our untrained eyes. We then headed back to Lagos. We hitchhiked along the West African coast, first through Dahomey, then Togo and finally into Ghana. I was traveling without an International Health Card, so I had to sneak by border control posts in all these countries. Miraculously I made it. We rested in Accra, Ghana before flying back to Freetown. Then we returned to Yengema, 200 miles up the coast on the tortuously rutted and pothole roads, to take up our duties at the school. That was a road trip of adventure and exploration, that kindled my curiosity and interest in a larger world.

I had a second opportunity to explore the continent. Peace Corps volunteers in Ghana organized a trip to East Africa and Ethiopia every year. I seized this opportunity and in July, 1969, I flew to Ghana with a buddy of mine, John Selisky, where we joined other volunteers to board an Air Ethiopia Flight to Addis Ababa, Ethiopia. It was cold and rainy in Addis, a sharp contrast from tropical West Africa that I was unprepared for. We had a week to explore villages, Coptic Christian churches and shrines and discover injera and other Ethiopian cuisine. We returned to Addis to catch the second leg of our charter flight to Nairobi. With neither a map nor a plan, we decided to head to Uganda to visit game parks. We stayed in cheap hotels, feasted on all-you-could eat buffet lunches when our bus stopped at upscale tourist rest stops. When we got to Kampala, we set off for Murchison Falls National Park, memorable for huge hippos, crocodiles, bird life and much more. Some volunteers rented a Land Rover to explore Queen Elizabeth National Park and we “signed on” for whatever they had in mind. We enjoyed sighting big game but late in the day our vehicle broke down. We had heard that it was dangerous to be on foot at night. As evening approached and our vehicle broke down, we feared spending the night in the bush. I don’t remember how we extracted ourselves, but the Ugandan adventure ended well. John and I returned to Nairobi and took the train to Mombasa on the Indian Ocean coast and headed to Malindi. John wanted to see tropical fish from a glass bottom boat. I sat on the shore and fantasized about catching an Arabian Dhow and exploring the world beyond.

Next, we decided to explore Tanzania. We caught a bus to Dar es Salaam and a short flight to the fabled spice island, Zanzibar. Its glory at the heart of the spice trade, with sultan’s palaces and such, was much faded. It dispelled my notion of Zanzibar as an exotic place. We returned to Dar es Salaam and headed north to Ngorongoro Crater. We found lodging in the park staff quarters, located a good distance from the expensive tourist lodge, which was the only place to get a meal. We were warned about the dangers of Cape Buffalos. The night before a person had been badly gored when he was walking at night. Unwilling to spend the night without eating, I decided to hike up to the lodge for dinner and take my chances with the Cape Buffalo when I returned. John skipped dinner and played it safe. When night fell, I regretted my decision but had no choice but to return to our quarters. Safely in bed I reflected on my risky choice, thanked my good luck and resolved to be a bit more prudent in the future. The next day we booked ourselves on a Land Rover for a safari expedition on the crater floor. The crater floor covers 100 square miles and lies 2,000 feet below the rim. It teamed with wildlife –lions, zebras, cape buffalo, and much more. This was a “full-lens” view of East Africa’s fabled wildlife.

We returned to Nairobi, boarded our Ethiopian Charter flight and returned to Accra where we lingered a day or two and then caught our flight back to Freetown. As a Peace Corps volunteer, I had traveled far more extensively in Africa than I had in the United States. I’d hardly traveled west of the Mississippi, but I’d seen a lot of Africa and I liked it. I wanted to continue to explore the world.

Q: I have several questions. First of all, I remember those good old days and I recently have gone back to that same travel style. It's just letting everyday flow. So one question is, did you maintain contact with anybody at that school afterwards?

NILSESTUEN: I did. There was one of the boys in particular. I provided some financial support on an ongoing basis for some time. I didn't have a way of contacting most of them.

Q: Did you return there at any point in your career?

NILSESTUEN: Later, when I was serving in Senegal with USAID, I was invited back to celebrate the 25th anniversary of the founding of Yengema Secondary School organized by its founder and first principle, Fr. Barry. The school opened in 1965. When I arrived at YSS in 1968, I was one of 12 expatriate teachers. I was the only expatriate teacher who returned. My wife, Joni, and I flew down to Freetown. Father Barry made arrangements for us to stay at the Holy Ghost residence and sent a vehicle to bring us some 200 miles up country to Yegema. The economy was in shambles, gas was hard to come by and he feared we would find ourselves stuck somewhere. The trip up country and the return was very sobering. Where deep jungle bush had crowded up to the side of the road, there was widespread deforestation mile after mile. When we got to Yengema we learned that a schoolteacher's salary wasn't enough to buy a big bag of rice needed to feed one's family and salary payments were erratic, sometimes with 6-month lapses between payments. Consequently, teachers turned to illicit diamond mining, once considered too low-life by most students when I was there. This was shortly before the troubles in Liberia spilled over into Sierra Leone, marked by marauding gangs that terrorized villages and pressed young boys into gangs or face amputation of limbs.

Q: You may be addressing this later, if so, you can defer. What impact did your Peace Corps experience have on the work you did subsequently once you joined USAID?

NILSESTUEN: As the end of my Peace Corps tour came into sight, some volunteers were deciding how they were going to avoid the draft when their PC-based deferment ended. I had the good fortune of getting a high number in the draft lottery held in December 1969, so I knew I wasn't going to be drafted. One of my housemates enrolled in the seminary. And the other went off to law school. Without the draft hanging over my head, I was at a loss to decide what to do next. I felt like I had been living in this magical Twilight Zone and I needed to go home, to take stock of what to do next. I returned to help my father pick corn, milk cows and then found a job, off-loading rail cars full of flax bales. That experience quickly clarified my mind. I wanted to return overseas, preferable Africa, to replicate in some way my Peace Corps experience. Peace Corps was a life-changing experience

Q: How did it impact in any way on your subsequent career when USAID? Did it in any way inform anything as you moved along your career in AID?

NILSESTUEN: I'll pick up on that a little later when I talk about getting AID.

Q: All right, please continue.

NILSESTUEN: I decided to go to graduate school and looked around for something that would provide me with the skills and bona fides to get a job that would take me back overseas. I looked all over. I looked at poultry science programs because I raised chickens at home and then in Peace Corps. When I looked at the curriculum, I said, damn, they have all chemistry and science and stuff I didn't thrive on. Instead, I enrolled in a master's program at the Center for Development at the University of Wisconsin, Madison. The Center was sponsored by the Ford Foundation, whose mission was to train early to mid-career Third World civil servants from central banks, planning commissions, line ministries, etc. and offer them graduate level work and a masters degree. My major focus was development economics and it required 2 courses in public policy and administration. Although I had not studied economics as an undergraduate, I liked economics and stayed on to earn a second master's degree in Agricultural Economics.

Q: So, when you left and knew you wanted to work overseas, you weren't already focused on a USAID career? Not at all?

NILSESTUEN: In fact, I saw USAID was the problem, not the solution.

Q: All right.

NILSESTUEN: Madison was a pretty radical place, and like Berkeley, Madison offered a lot of the courses that were quite critical of the development experience of the sixties. I imbibed deeply in that critique. I went looking for a job with NGOs, and I had an interview that was quite serious. I got quite close to an offer that would have taken me to some beautiful setting in Kenya, but they didn't make me an offer. Meanwhile my major professor, Don Kanel encouraged me to apply to USAID's International Development Internship (IDI) program. I was reticent but had no alternative job opportunity in sight and I did not want to continue on in a PhD program. So I applied, and much to my surprise I was selected from a field of perhaps 3,000 applicants and offered an IDI slot with initial training in Washington, before a posting to Kabul, Afghanistan. I knew nothing about Afghanistan and barely where it was in the world. I wanted to return to Africa, but decided to accept the offer, thinking that I would serve for a couple of years and then find a job I really wanted.

II. PAKISTAN

1974 -1978

I arrived in Washington in September, 1973, along with more than 30 others who had been selected to serve in USAID as program officers, project development officers, capital development officers, controllers, etc. I was designated a program officer. The initial intake consisted of agency orientation, and then a course on project planning. We were introduced to the logical framework which had been adopted as the foundational planning tool. Fresh out of graduate school, I was dismissive of this tool, judging it to offer no real rigor in planning and evaluating. Later I came to recognize its utility and realized that I had been offered very few tools and skills to prepare me for a position in a field mission. Much of the 3 months I spent in Washington consisted of shadowing the

USAID Afghanistan desk officers to meetings. During this period there was a coup in Afghanistan. The king's nephew toppled his uncle to accelerate liberal reforms in education, in workplace opportunities and to loosen the grip of religious leaders. I took advantage of this instability to lobby for another assignment, hopefully in Africa. Senior managers agreed that a posting in a more stable country would be desirable and assigned me to Pakistan.

Pakistan like my next two assignments were posts I neither requested nor wanted. I came to like Pakistan and wanted to stay in South Asia. But then, near the end of my tour and out of the blue, I was assigned to El Salvador against my strenuous objections – I spoke no Spanish. And then, even later, I was assigned to Senegal (without having bid on it), and while it returned me to West Africa, I spoke no French and knew nothing of the French colonial legacy that shaped institutions and much more. One of my lessons early on in the agency was you might not get what you want but you might just get what you need or what serves you well in your career development. I learned the value of accepting assignments graciously and embracing them, arriving at post ready to discover what the job and the post had to offer.

I was assigned to Pakistan as an International Development Intern (IDI) economist in the division of economic analysis in the program office. Joe Wheeler, the Mission Director, was a legend. He served as mission director to Pakistan for seven years and later as the USAID representative in Paris, to OICD. Joe determined that the IDIs would be invited to the weekly senior staff meeting. That proved to be quite educational. First, I learned about the organization, structure and management style of the mission and other office's issues and the interplay between offices. In 1972, Congress had legislated a sea change mandate. It made USAID's core mission addressing poverty, effectively demanding that USAID's country programs shift focus from infrastructure projects to those designed to address poverty and its underlying causes. In the mid-70s Pakistan was overwhelmingly rural and agrarian. Consequently, the Mission focused increased attention and resources on agricultural and rural development.

In response to this policy mandate, the mission decided to fund a large fertilizer program with the goal of increasing the supply of fertilizer, reducing its cost to farmers, increasing its use with attendant increases in production and rural household consumption and income.

I was appalled, believing that the mission was subverting the very intent of the new directions mandate. As a young rookie IDI, I decided to take a stand. I spent a weekend writing a 12-page paper laying out my concerns. I don't recall what alternatives I offered, but at least I was clear about my objections to the program. I decided to bypass my supervisor and address my memo directly to the director of the program office. I dropped it in his inbox late Sunday evening. I never heard anything. And I didn't have the wherewithal to follow up and pursue my concerns. Looking back, the lesson learned was that if you feel strongly about something, you need to engage and advocate.

Q: Can you give us a context first? So it was a large mission?

NILSESTUEN: Yes, it was.

Q: What was happening in the country? What were the issues politically and others? What was the focus of the USAID or foci of the USAID program?

NILSESTUEN: USAID/Pakistan was co-funding with the World Bank a large hydro project, the Tarbela Dam, the second largest earth-filled dam in the world at the time. The mission was also funding a spectrum of interventions in irrigated agriculture. With the new congressional mandate policy, the mission redoubled efforts to improve irrigation efficiency, reduce problems caused by subsoil salinization, improve equitable distribution and access to water and a range of improved agronomic practices. Family planning was another major program priority. Growing concern about population growth outstripping the world's capacity to feed itself resulted in prioritizing family planning programs. With a population growth rate that doubled the population in less than 30 years, Pakistan was an Agency family planning priority. The mission also had a modest education program and a low profile, counternarcotics program focusing on addressing opium poppy cultivation and marketing of opium and its derivative, heroin.

Pakistan was neither very democratic nor stable. It was born out of the 1947 partition of India, creating East and West Pakistan that then broke apart with a civil war in 1971, with East Pakistan becoming Bangladesh. When I arrived in 1974, Zulfikar Ali Bhutto was president. By the time I left in 1978, he was arrested on what the Pakistanis I hung out with thought were trumped up charges and incarcerated. Later he was hung.

Two of Pakistan's 4 provinces, rural Sindh and Baluchistan were dominated by large feudal landlords. Families farmed on the landlord's terms, typically share-cropping, and with the privilege of maintaining a simple house on the land. These powerful zamindars held great sway, especially in their respective provinces. Except for the broad outline of this political economy, the political landscape was opaque and only later in my career did I come to appreciate the importance of reckoning with the political economy that was the context for our assistance programs.

Q: Fascinating. Okay, please continue.

The IDI program encouraged IDIs to rotate to a variety of offices to gain a broader perspective of one's mission and appreciate the role, management, structure and substance of other offices. I began my rotation in the agricultural development office, loved it and never left. The office was engaged in managing projects, contractors and interfacing with counterparts that made me feel like I was participating much more directly in the development assistance process.

My boss, the Director of the Agricultural Development Office, wanted to assess the feasibility of extending the green revolution from irrigated agriculture in the south to rain-fed agriculture in the northern areas by introducing improved wheat varieties and fertilizer. The mission worked with extension personnel to help participating farmers to

adopt improved cultural practices and recommended fertilizer application rates and to distinguish between control plots and improved practices plots. To measure the impact of the improved practices, it was necessary to harvest and measure yields and compare results from control and improved practices plots. I was given the task of supervising the yield measures from samples threshed with a small plot-size thresher. It was a somewhat tedious and sweaty job and I loved it. It was in fact a remarkable opportunity for an AID officer, even a young IDI, to be sent out to spend weeks in the field. The experience confirmed my desire to work in the agriculture sector engaged with managing assistance rather than as an economist tied to an office with little external connection to the people we intended to serve.

My boss thought that technology used in the village to extract sugar and edible oil was very inefficient. He asked me to develop a project that would focus on developing more efficient technology for processing sugar cane and oil seeds in the village. Centuries old technology relied on bullocks to power sugar cane and oil seed presses. I knew nothing about the technology and science of sugar cane and oilseed processing but my boss gave me a license to learn. I visited large industrial sugar cane mills that ran the cane through the presses several times to extract nearly all the sugar cane juice. Oil seed mills relied on solvent to extract the oil in addition to the press. Based on what I had learned, I drafted a project proposal. I advocated and argued with my boss, much to the surprise of my colleagues, learning the importance of advocating my views. But I labored without help or collaboration from staff offices responsible for employing USAID's precepts in project design and didn't learn about the Agency's project development process until somewhat later in my career. Nor was I well-schooled in project implementation. Frequently the office went about developing and implementing various agricultural projects with little involvement of local counterparts in the project design nor in complying with evaluation and implementation management.

A grant was awarded to the University of Denver for the implementation of the Village-Level Food Processing Project. As the project manager, I found myself going off to make speeches at events intended to publicize the project along with my Government-Of-Pakistan (GOP) counterpart. Various speakers invoked the Quran, offering blessings and citing how the project's objectives were faithful to religious doctrine. My remarks were of course in English. I didn't understand other speakers' remarks and I doubt that many of the other speakers or attendees understood mine. But the events were covered by the local press.

In 1975 I met Kris Loken who was working at the University of Karachi on a USAID funded internship program focused on family planning. Kris had done her Master's degree at the University of North Carolina in public health, a program that was supported by USAID. We began a long-distance relationship, separated by 1,000 miles. The end of my first tour and Kris's internship coincided so we decided to travel together back to the States. We had a wonderful time, visiting Nepal, Thailand, Bali in Indonesia, and the Philippines before reaching Hawaii. My home leave itinerary was justified by visiting the International Rice Research Center in Los Banos, the Philippines, and the East West Center at the University of Hawaii that did a lot of research focused on Asia. Following

my home leave, I returned to post for my second two-year tour. I invited Kris to join me and we lived together in my USAID funded housing, notwithstanding that Pakistan was a very conservative Islamic country. In 1977 we got married in a little church in Rawalpindi, with friends and Kris' mother in attendance. Kris was fittingly dressed in a bright-red sari, in keeping with local custom.

During the last year of my tour, USAID/Sri Lanka asked me to come down to develop a project to finance fertilizer imports, inspired by the fertilizer project that USAID/Pakistan had implemented. Having participated in field evaluations of the fertilizer program, I recognized the positive impact it had and welcomed the opportunity for a short-term assignment to work in a different development setting. I worked largely single-handed on drafting a project description. When my supervisor reviewed it he said, you're great at describing the problem; what's the solution? That really stuck with me. One may be good at describing the problem, but what's the solution? How are you going to know when you get there? When I finished the project description I returned home. The Sri Lanka mission liked my work and invited me to take an onward assignment when I completed my tour in Pakistan. I was delighted. I now felt grounded in South Asia and wanted to remain in the region.

But out of the blue a cable arrived saying that my onward assignment was El Salvador. I was stunned. I had not bid on an onward assignment. I had not been consulted and I didn't speak Spanish. I resisted. USAID/Sri Lanka appealed the decision. Even the US Ambassador to Sri Lanka lobbied for my assignment. All to no avail. Like my initial assignment to Afghanistan and now to El Salvador, I opposed this directed assignment. When it was clear that my assignment was definitive, I decided to accept it, embrace it and move on.

Q: Well, thank you very, very much. I look forward to the continuation of the story. So we will stop here.

III. EL SALVADOR

1978 -1981

Q: Today is Wednesday, December 13th, and we are continuing our conversation with Wayne Nilsestuen. Wayne, welcome back. Today you will be covering your transition back from Pakistan and your time in Washington, D.C. in Spanish language training and then your assignment to El Salvador. Welcome.

Following our home leave that marked the end of my four and a half years in Pakistan, I was enrolled in the Foreign Service Institute (FSI) facilities in Rosslyn, Virginia. My full-time job was to learn Spanish. As I had never studied a language in high school nor college, I had no formal language learning experience to draw upon. After 6 weeks I was told that my prospects of success were not good if I didn't do better. I was stunned but resolved to work harder and be more focused. At six months, FSI determined that I would need some additional time to reach working proficiency. The post agreed to wait. It took me an additional 6 weeks to successfully test out. The Mission made the right decision. I

acquired a foundation upon which to build operational fluency. Kris was also authorized to study Spanish and Spanish proficiency proved to be invaluable when she got to post.

I decided to drive to post. Kris was recovering from back surgery so I invited my father to accompany me. It proved to be a wonderful journey and the only opportunity I had to share with him a glimpse of the Third World. We crossed the Rio Grande at Laredo and headed to Monterey where we spent a night before continuing on to San Luis Potosi where we spent a day exploring the city famous for its artists. Then we drove on to Oaxaca, bypassing Mexico City and enjoyed the charming center of the city with its grand plaza. The sixth day we pushed on to San Cristobal de las Casas in the mountains of southern Mexico. While the cities along the way were charming and interesting, what I enjoyed most was my father's running commentary on farming practices and technology that we saw along the way. We would see farmers transporting forage or crops with bullocks and a cart, harvesting corn by hand, threshing, plowing or tilling with oxen. He would say, I remember doing it like that when I was a kid, or I remember my father telling me about using that kind of equipment. It was a journey through time with my father, stirring my own childhood memories of growing up on the farm.

We reached the frontier with Guatemala around noon. It was a lazy passport control post. The guards asked for our credentials. I of course produced my diplomatic passport. My father had been issued a tourist card at the crossing in Laredo. He couldn't find it! And now it was siesta time and the border control officers were taking their break. Risking annoying them, I asked what could we do. They said we could drive back to Mexico City, a long day's drive away or call the Mexican border authorities in Laredo who issued the tourist card. They called the Laredo border control office and handed me a phone. I asked them to look for a record of our crossing, giving them my father's name and the day of our crossing. Against all odds, they found it! Amazing. With that, we were allowed to cross into Guatemala. As we drove south through the mountains the landscape was transformed by small farms growing corn and beans on steep mountain sides.

We reached Guatemala City as evening was falling and called my cousin, Gordy Straub. He had been a Peace Corps Volunteer a decade earlier in Guatemala and had stayed on to work on various USAID-financed development projects. We spent the night with Gordy and Robin. Their house overlooked a lake and as evening fell, from their second story terrace, one could see the glow of volcanic eruptions. It was a magical setting. We had arrived in Central America! My father returned home, taking a flight out of Guatemala City. I continued on to San Salvador, unaware of the political strife that was brewing.

El Salvador was a mission of 20 officers with a small program budget. There was growing unrest. The Farabundo Marti' National Liberation Party (FMLP) was carrying out armed attacks in defense of labor organizations and farmer groups suffering pressure and evictions by large landowners. The army responded with force, searching out the FMLP militants and anyone believed to be collaborating or even knowledgeable of their identity, location, or actions. These were increasingly tense times as security deteriorated. With no prior experience, I knew little about El Salvador and even less about Central America. As a young agricultural economist, I was the fourth FSO in the Agriculture

Development Office. I assumed project management responsibilities for several ongoing projects and was tasked with developing a project to stand up a land bank, envisioned as a response to the growing militant demands for land.

The Ministry of Agriculture assigned two counterparts to work with me. They would come to my office frequently to work on the project concept. This provided me with the opportunity to work in Spanish. Our meetings lasted until I was so exhausted from working in Spanish that we adjourned. Over the next couple of months, I made more progress on my Spanish than I did on a design of the land bank project. Frankly, I was dubious about the feasibility of a land bank relieving the growing militant demand for access to land by small farmers. I thought it would be too little too late. I was familiar with land reforms in Latin America thanks to my work with Don Kanel, my advisor in graduate school, who was the co-director of the Land Tenure Center.

Our work on a land bank came to an abrupt halt when five young colonels (the Junta) carried out a golpe de estado on October 15th, 1979. Their goal was to respond to militant demands for reform and to head off a larger civil conflict. They announced three sweeping reforms: banking reform, land reform, and social reforms in health and education. It was the final months of the Carter administration and US policy immediately declared support for the Junta and its objectives. The sweeping land reform expropriated all holdings over 1,250 acres, compensating the owners with government bonds and offering the campesinos living and working on these farms the opportunity to remain on the land as beneficiaries of the reform. A second land reform followed within the year – Land to the Tiller. This reform was modeled after reforms in Asia, first in Japan after World War II and later in Viet Nam where it was intended to undercut support for the Viet Cong. This reform offered small farmers renting or sharing cropping land to make a claim on the lands that they had been farming and gain title while the landlord was to be compensated with government bonds. These reforms constituted a direct assault on the wealth and status of the elite, particularly the infamous “14 families” who owned the largest farms and ranches, sugar mills and other agro-industrial plants. These reforms were met by vigilante violence provoking increased resistance and land invasions by the FMLN. The country teetered into civil war.

Due to increasing instability, violence and repression, the Peace Corps pulled out all of its volunteers in the summer of 1979. The Embassy and USAID began giving officers the option to relocate their families back home or to curtail their assignments if they felt it was no longer safe to live and work there. In the ensuing months, my boss and the other two FSOs in the Agriculture Development Office decided to terminate their tours or transfer. The USAID mission staff fell from 20 to 4 FSOs. I was reassigned as the director of the Agriculture Development Office. USAID’s office was relocated twice due to security concerns. Initially it was just blocks from the US Embassy where Marine Security Guards stood duty 24 hours a day. University students demanding reform and supportive of progressive reforms marched out of the university, passing by USAID on their way to the American Embassy to chant anti-American slogans and demands. USAID was relocated to a couple of floors of a large hotel located some distance from the Embassy. Months later, Embassy security determined that the site was too vulnerable

to attacks and the 2 offices with the largest staffs, agriculture and health, were relocated again in an inconspicuous residential neighborhood.

During this period there was also turnover in mission management. Aldemo Ruiz was the Mission Director. When he was transferred, Charlie Stockman, a low-key, reassuring manager was named Mission Director. He suddenly disappeared and we learned that for security threat concerns, he was transferred. He was replaced by Peter Askin, a veteran officer with a historical perspective of Central America. In the face of growing insecurity, the embassy created an emergency evacuation plan, should it be necessary to evacuate all family members immediately. Kris was hired as the Embassy emergency coordinator.

On March 24th, 1981, Archbishop Romero was shot while giving Easter mass in the San Salvador Cathedral. The Archbishop was outspoken against social injustice and violence and in defense of the poor. He was the leading progressive voice in the country. His audacious assassination was an ominous signal. The oligarchy was prepared to employ increased violence to confront not only the FMLP but any resistance to the army's indiscriminate use of force. The embassy's response was to immediately evacuate all Americans who did not have a job with the embassy. Kris coordinated the evacuation but was evacuated herself. The Embassy security realized they needed the emergency coordinator and brought her back to post immediately.

In the wake of large-scale departure of USAID staff due to security concerns, USAID needed an American to manage the Health Office. With a Master's degree in public health and a two-year internship at the University of Karachi focused on family planning Kris was both qualified and available to accept the position of director of the Health Office.

In the wake of the Sandinista revolution in Nicaragua earlier and the sweeping reforms announced by the five-member Junta in October, the Carter Administration moved quickly to declare their support for what was viewed as progressive reforms with the promise of responding to widespread unrest and the hope of stabilizing the national government. USAID made available \$75 million to finance a large project to support implementation of the land reform. Young Agriculture Development Officers were recruited and assigned to my office. A cadre of retired ag officers, "old hands", were contracted to help with project development. In short order I had a large staff tasked with helping to design assistance for the land reform as quickly as possible. Carol Peasley, a highly regarded Project Development Officer in the Latin America and Caribbean (LAC) Bureau, came down to help put the Project Paper together, the foundational document in USAID's project planning process. Bob White, the American Ambassador, provided the Carter Administration's strong support for the land reform. Ambassador White was quickly replaced by a strong conservative ambassador. However, the new Administration also supported land reform. The Carter Administration supported land reform as a critical tool in addressing the demands and aspirations of the rural poor and the militant left. The Reagan Administration supported land reform and the militant left as a counter-insurgency strategy, with the goal of undercutting the appeal of the socialists by

preempting their promise of land. Thus, support for the agrarian reform went forward, largely unaltered by the change in political philosophy and ideology.

My cousin Gordy Straub, with whom my father and I had stayed with when I drove to post, had been hired by USAID and he was now an IDI agriculture development officer posted to USAID/Nicaragua and working on land reform. Believing that there was value in detailing El Salvador's land reform model for Nicaraguan agrarian reform, he invited me to give a presentation to government officials managing Nicaragua's land reform. I noted that the two reform models were starkly different. In El Salvador's case, land was expropriated based on size with the objective of addressing the most grievous inequities and creating opportunities for the rural poor. The criteria for expropriating land in the Nicaraguan land reform was political. The land of enemies of the State, perceived or potential, were subject to expropriation, irrespective of the size of holding.

Right wing repression was becoming more and more aggressive. On December 4th, 1980, three Catholic nuns and a lay worker were abducted, raped, killed, and dumped on the side of the road. Two of the women were missionaries. The others came down to work with the missionary sisters, assisting the poor and those who were victims of violence and repression including families who had been displaced by violent repression by either the armed forces or the mano blanco (rightwing vigilante groups). America Ambassador Robert White demanded an investigation and accountability for the perpetrators of these brutal slayings. He was relieved of his duties by the incoming Reagan Administration. Responding to domestic political pressure at home, the new Administration continued to press for accountability. In 1984 four national guardsmen and a commander were found guilty and sentenced to 30 years in prison.

In late December, 1980, Kris and I took a short break from the intense workload to visit family and friends for Christmas. In the middle of the night on January 2nd I received a call from USAID/Washington informing me that the Director of the National Agrarian Reform Institute and two Americans financed by USAID to advise the government on land reform were gunned down at point blank range in the coffee shop of the Sheraton Hotel. I was stunned and asked if the gunmen had been identified, what was known about the slayings and what were the implications for my own security. They had no answers in the immediate aftermath of the shooting. The next day I was told that I could decide whether I wanted to return to post or curtail my assignment. The message was very clear. The oligarchy and militant right were fiercely opposed to land reform. Had I been at the meeting with our advisors and Director of the Agrarian Reform Institute I also would have been gunned down. It was also clear that it was increasingly dangerous to work in El Salvador and it was reasonable to believe that I could be especially at risk, given my role in planning and managing our assistance for land reform. Nevertheless, I was deeply committed to the reform. I believed that it offered the best available opportunity to address rural poverty and create a path to a brighter future. Kris and I decided to return to post and to continue to work on assistance for agrarian and health sector reforms.

Kris and I returned in early January. The next day we were moved to a multi-story apartment building that had an armed guard 24 hours a day. I was given an armored car

and offered a gun. I declined the gun figuring that it would put me in greater danger should I encounter an assailant. Work on our programs continued but field work was more limited. We notified the embassy security office about planned field trips which were never overnight. With their concurrence we were cleared to travel. As violence mounted in the city and around the country, the government imposed a curfew, sundown to sunrise. Anyone out in the streets during curfew hours was a risk of being shot, no questions asked.

Having served more than 27 months, I was due for home leave. The mission asked me to return to post after home leave and continue managing the agriculture development office until I had to depart in August for my onward assignment, which I did.

Q: Can we stop here? I'm sorry, before we go on, I have several Salvador questions. You answered one of them. You were there at a crucial time. And obviously your mission was in transition. I'd like you to comment if you could on, did you have any FSNs at that point working with you in agriculture? And if so, what can you comment about their capabilities? Maybe this was too early to have that FSN in there.

NILSESTUEN: When I arrived at post in San Salvador in early 1979, Ivan Escobar, an FSN, worked in the Ag office. He was very competent and collaborative. He accompanied me to meetings with counterparts of the projects I was assigned to manage. He deftly navigated the meetings, giving me space to work in Spanish and stepping in to clarify points when necessary. He was also very tuned into the increasing turmoil in the countryside, providing me with a perspective of the impact on campesinos and the communities our projects served. Parts of the embassy questioned his loyalty and possible political connections. Facing these pressures, Ivan disappeared. I suspect that he slipped out of the country and moved to the US, I would assume with his family. The possibility that parts of the embassy were surveilling our FSN staff left me with a very uneasy feeling.

Q: I can imagine. Let's talk a little bit about the relationships with the embassy. Of course, Robert White was a very special person, as you know. So what were your relations with the embassy in this whole land reform effort?

NILSESTUEN: As a relatively junior officer I had virtually no direct dealings with Embassy staff, much less the Ambassador. Those relationships were managed by the mission director. When the golpe de estado occurred on October 15th, 1979 establishing the Revolutionary Government of El Salvador, Charlie Stockman was the mission director. He left suddenly, reputedly due to security threats. Like Ivan's disappearance, there was no transparency and no explanation offered to the staff.

Q: Right.

NILSESTUEN: Peter Askin who was serving as Deputy Mission Director in Guatemala was quickly transferred to El Salvador as the Mission Director. Dan Chai was named

Deputy Mission Director. The front office was the main conduit of information with the Embassy and communication was complicated by USAID offices being scattered between technical staff located in rented office space and staff offices located in the chancery.

As a young, relatively junior officer I didn't really interact much with the embassy.

Q: So I would now like to ask, what was the nature of your relationship with counterparts and what observations did you have in terms of their competency? Notwithstanding, this was a very challenging time.

NILSESTUEN: Prior to the golpe de estado, I joined my boss for meetings with the Minister of Agriculture on routine program implementation matters. As previously noted, I also met with counterparts regarding implementation of projects that I was responsible for managing. The golpe de estado changed my relationship with the Ministry of Agriculture. The Agrarian Reform Institute was now our logical counterpart once we began working on support for the reform but meetings were difficult to secure. I think I only managed to get one or two meetings because of their reticence to, or caution in engaging with us.

IV. USAID/WASHINGTON

1981 – 1985

Q: I must say for a young foreign young USAID employee you were thrown right into the fire there. That's amazing and I'm glad you made it out safe and sound. So please, let's now move to Washington where you want to talk about a topic of great interest, the excellent head of the office who you admired.

I had applied for and was accepted to the Development Studies Program. I thought that it would give me an opportunity to decompress, step back from operational and managerial responsibilities and reflect more broadly on development from my vantage point as an agricultural development officer. The course was unique in the agency's efforts to foment interdisciplinary, broad-gauge examination of development for mid-career officers on the rise. The course was taught by practitioners, academics and guest lecturers providing insightful and sometimes provocative research findings. The faculty was interdisciplinary including agricultural economics, political science, sociology, anthropology and guest lecturers from other disciplines. The program fulfilled its mission, preparing a number of officers for leadership roles who went on to serve as mission directors. The most unique feature of the course was a two-week field trip to Belle Glade, Florida, a site that embodied many of the characteristics typical of development settings where USAID worked. Belle Glade had extensive sugarcane production; relied on immigrant Haitians as cane cutters; and big sugar interests made unsustainable claims on irrigation water at the expense of the ecology in the Everglades. We were placed in teams and charged with formulating an important development problem based on field work conversations with various stakeholders. Faculty probed and encouraged exploring interdisciplinary analysis and charged the teams with designing projects, laying out their analysis and specifying expected results. The course reinvigorated my curiosity and appetite for a broad-gauge view of development challenges.

Kris remained at post while I took the Development Studies course. Upon her return, we found that the intensity of our time together in El Salvador had taken its toll. Our efforts to reconcile failed. We separated and later divorced.

Upon completing the Development Studies Program, I went to work in the Latin America Bureau's (LAC) Rural Development Division as Scaff Brown's deputy. Scaff had been with the agency earlier and decided he had enough of the bureaucracy. He left to work in the private sector, doing a lot of development consulting. Buster Brown, Director of LAC/DR persuaded Scaff to return to the agency and manage the Agriculture Development Division. LAC was navigating a generational transition. Older ag officers had retired and young Turks like myself, Steve Wingert, Clem Weber, Dwight Steen and others were moving into management roles. Scaff had a light management touch. He defined the contours of one's responsibilities; he fully believed that you could and would do the job, unless you absolutely proved him wrong. But if you were lazy or incompetent, he didn't waste time trying to salvage you. It was on you to seize the opportunities. He was certainly willing to help and respond, but he wasn't willing to invest a lot of time if you hadn't demonstrated your commitment and capacity to respond in kind.

I was given the opportunity to work with Scaff at a moment when agriculture development assistance accounted for 60% of the agency's entire development budget. Agriculture was king and this was my first Washington assignment. It gave me an opportunity to see how USAID/Washington was organized, what were the roles, the authorities, the resources, and policy making functions. It was a crash course in learning how the agency worked from a great perch, as Scaff's deputy.

Q: Can you tell the reader what years we're talking about here?

NILSESTUEN: I came to Washington and started in the LAC Agriculture Division in November of 1981. This was the period when agricultural development in the agency was in flower. The regional bureau agricultural officers along with the Technical Assistance Bureau (TAB), had constituted the Agriculture Sector Council. This proved to be an effective vehicle to discuss sector-wide policies, share lessons and advocate for focus on emerging opportunities or priorities and discuss the Agency's relationship with Land Grant Universities. Subsequently this cross-bureau forum was emulated by education, health, and other sectors. From the beginning, Scaff gave me a seat at the table, taking me along for the weekly Ag Sector Council meetings. Consequently, I was fully conversant with the issues and how the different bureaus responded to what was afoot in the agency, what was impacting agricultural policy, programs and priorities. It was also a period when the Title XII legislation mandated USAID to work with the land-grant universities, drawing on their expertise and research. BIFAD, the Board for International Food and Agriculture Development, was created to manage this relationship. The board met periodically to review the relationship and cooperation.

USAID drew on the universities' broad and deep expertise for everything from plant breeding to entomology, grain storage, rural credit, agriculture extension and much more.

BIFAD board meetings were held at land-grant universities from time to time. I attended one in Texas and another in Oregon. Participating gave me a window on how the agency engaged with external actors. During this period, I learned a lot about how the agency worked and how to work in the agency.

Q: Who was the leadership? Who was the head of LAC/DR and the deputy assistant administrator?

NILSESTUEN: The Director of LAC/DR was Buster Brown.

Q: Of course, right.

NILSESTUEN: And let's see, Dwight Ink, I think was the AA when I got there.

Q: No, or was that later? He came in later on toward the end. But by mentioning Buster Brown, he brought a very special style of review in the Bureau, as you recall, right?

NILSESTUEN: Buster, as the Director of LAC/DR chaired all LAC project reviews. Agency program methodology required field missions to submit a project paper that described the objectives, detailed the inputs and expected outputs, included a budget and an economic, technical and possibly a social analysis. The Agriculture Development staff in my office sometimes assisted missions in preparing their project proposals and always participated in the project paper reviews, chaired by Buster. He was accompanied by Irv Levee, his cigar smoking deputy. Buster was rigorous and tough, forcing my staff to be fully prepared to support the missions' proposed agriculture projects.

Q: So I might add that I came in after you. I was an intern in '78. And I quickly learned about the rigors of reviews, including even commenting very sharply on the projects that came in education. That was quite a period. And Buster certainly put his stamp on it.

NILSESTUEN: Yes, he certainly did.

Another important career development opportunity that Scaff gave me was to visit all the missions with agricultural development programs. This enabled me to offer LAC Bureau perspectives and counsel mission staff on priorities. It also provided me with an education on the development challenges and how the missions had developed projects to address them. Development challenges varied greatly across widely different agronomic, climatological, political, social and subregions.

I was also much involved in personnel matters. By visiting field missions, I got to know every Agriculture officer in every mission in the field. As officers approached the end of their current assignment it was an opportunity to offer suggestions regarding upcoming opportunities and to advise field missions regarding available staff most likely to meet their needs. This role in dealing with staffing served me well when I assumed broader management responsibilities later in my career. As Deputy Director of the Agriculture Division I also assumed responsibility for preparing annual performance evaluations on

all of the FSOs on the staff. This too was an invaluable experience as I would rate many subordinates over the course of my career.

During this period, I was promoted to a Foreign Service Officer, Rank FS 1.

In the summer of 1984, I was detailed to the University of Maryland in College Park on a Reverse Joint Career appointment. Title XII mandated USAID to work in partnership with Land Grant and historical black universities to advance agricultural development assistance. Among the programs developed to advance this objective, was the Joint Career Corps. This program provided for university faculty to be assigned to work in USAID field missions for one or more years and then return to their universities to resume their faculty duties. The program was envisioned as a career tract where faculty selected for Joint Career appointments would move back and forth between their university and USAID mission assignments. Under BIFAD's auspices, a reciprocal program was created - the Reverse Joint Career Corps wherein USAID agriculture development officers were detailed to a land grant universities.

My duties at the University of Maryland were somewhat amorphous. I was assigned to the Office of International programs. Its mission was to identify, facilitate and promote opportunities for faculty to engage internationally. My niche was to identify opportunities financed by USAID. It was enlightening to discover how few faculty were interested in the kind of opportunities that would take them overseas, even short term. Any opportunity would have to align with their ongoing teaching, research and administrative responsibilities. Any contributions I made to the university's engagement with USAID were marginal. Those universities that capitalized on the promise of Title XII and the Joint Career Corps were those where there was strong leadership at the most senior levels of University management.

The other opportunity I had was to teach an upper division International Agriculture Development course. I started by developing the curriculum from scratch for this course. It was a formidable task to think through what the course should do in challenging the students. At times I was hard pressed to stay ahead of the class with the curriculum development. There were about 20 students including a number who were mid-career professionals on leave from mid-career level duties in India, Nigeria and other developing countries. Tested by their own work experience, they were not hesitant to challenge me and the development theories, lessons and even the relevance of some of the readings that I offered. I learned a lot teaching the course. It proved to be a mid-career academic refresher course for me.

I also took the opportunity to audit a graduate level development economics course which exposed me to work in the field that had emerged since I had left graduate school in 1973. I think I got more out of my Reverse Joint Career Corps detail than did the university.

V. SENEGAL

1986 - 1991

Q: Okay. Today is Wednesday, January 3rd, 2024. Welcome to the New Year, Wayne.

NILSESTUEN: Thank you.

Q: And we are going to continue with Wayne's oral history and today you are going to talk about your assignment to Dakar, Senegal.

NILSESTUEN: While I was serving in LAC I met Joni and during my time at the University of Maryland, our relationship continued to flourish. I was quite happy with the arrangements at the University of Maryland and hoped to extend my assignment there for another six months while we figured out our relationship. I decided not to bid on an onward assignment trying to finesse the personnel system by not bidding. I had inadvertently declared myself without preference with respect to an onward assignment. Out of the blue, I got a call from my future sister-in-law who told me that I had just been assigned to Dakar, Senegal. This news accelerated our decision-making. We decided to get married and start our married life in Senegal. But first there was French language training, this time at the new Foreign Service Institute facilities in Arlington. While familiar with FSI's language instruction methodology and functional fluency in Spanish, I nevertheless found French a challenge. As a prospective spouse, Joni was authorized to take six weeks of practical French. In six weeks, we made final wedding arrangements, finished our respective language training, got married and packed. By the time we departed we were exhausted and I had lost my voice.

We decided we needed to decompress and took our honeymoon enroute to post. We flew into Brussels, made our way to Paris, rented a car and headed south. We drove along the French Riviera in October and saw people on the beach including a woman in a fur coat and a bikini! We continued on along the Italian coast, swung north to Florence and then to Sienna where Joni bought me a beautiful hand-tooled attaché case. We headed for Aix-en-Provence for lunch and then planned to drive on to Marseille for our flight to Dakar. We carefully parked in a large paid, guarded parking lot, got lunch and when we returned to our car, it had been broken into and thieves had carried off everything they could manage to carry including several suitcases and my new attache' case where I had just consolidated all our valuables – passports, international health cards, travelers' checks, cash and documentation detailing our assignment as a Foreign Service Office to Senegal.

Our only chance of making our flight was to call the US Embassy in Dakar. I reached the Consular section and the woman who took my call was the wife of my future office deputy director. She recognized my name, was expecting our arrival and worked miracles. She arranged for the French authorities to allow us to depart without a passport or permission of the frontier police and authorized perhaps \$100 in travelers' checks. We drove on to Marseille, caught our flight, and were met at the airport in Dakar, enabling us to enter without passports and exempting us from vaccination requirements in the absence of our international health cards. In the age of HIV AIDS this was singularly critical.

Notwithstanding the drama of getting to Dakar, the next day (Saturday) I was picked up at 9:00 AM and taken to the office to meet my deputy for a briefing before he headed for Washington to secure approval and funding for a new project. Joni was left to figure out where she was. This was a pretty dramatic start to her life in the Foreign Service.

I arrived to begin my assignment as the director of the Agricultural Development Office. Senegal was a big mission in those days, and the Ag Office had a significant portfolio and a large staff. Senegal proved to be the most challenging assignment of my career. The first challenge was to develop a strategy for increasing agricultural productivity. The opportunities were constrained by soils with little organic material, low fertility and erratic rainfall. USAID had limited experience and institutional memory to draw upon in dealing with semi-arid agriculture in West Africa. Second, the donor landscape was dominated by the French. Their modality of planning and managing assistance and their agricultural research that was tied to institutions in France was unfamiliar. The long history of French assistance in the sector was opaque so I was unable to learn from their experiences. The third and perhaps most significant constraint was my limited fluency in French. I was less effective in meetings, relied on colleagues to smooth out communication and took longer to read documentation and reports in French. Finally, I lacked confidence in the project management of a couple of my staff and found it difficult to adjust for the consequences.

When I arrived, Senegal was experiencing a devastating infestation of locusts. The locusts arrived in great swarms from Ethiopia where they had hatched and were then carried across the breadth of Africa. Descending in clouds, they devoured everything in their path -- crops, gardens, shrubs, trees. They were so thick on the rails that the train could not make low grades because the rails were greased by the crushed locusts. The Mission mobilized resources for a large-scale spraying operation. Aerial spray planes, experienced pilots and huge amounts of insecticide, approved for use by USAID/Washington, were mobilized. The impact of the locust invasion was blunted, limiting the scale of the devastation.

Q: What was the impact of any of the locust's infestation on humans other than their crops and on the economy?

NILSESTUEN: There was no risk of transmitting diseases. Roads became dangerously slippery, caused by oil of thousands of crushed locusts. Obviously the most serious threat was to food security and agricultural production. The frequency of locust swarms was a function of their life cycle and breeding and feeding conditions in Ethiopia and East Africa. Fortunately, another invasion did not occur in the four years I remained in Senegal. But the cyclical threat of locusts and other causes of crop failure and food insecurity prompted USAID to create, FEWS, the Famine Early Warning System, a permanent system that was maintained to protect Africa's food security. It was recently shut down by the Trump Administration's decision to suspend or end almost all USAID managed development assistance to Africa.

Q: So what was the impact of spraying on future agricultural crops?

NILSESTUEN: To my knowledge, negligible. I'm sure that even in 1986, we would have had EPA approval for all the pesticides that we were using and I frankly don't remember what we were using.

Senegal sits between the Sahel in the north, bound by the Senegal River and in the south by the relatively high rainfall, semitropical area, the Casamance. The transition zone between the north and south is semiarid. It is the groundnut basin, representing much of the cultivated crop area. Groundnuts (peanuts) are a cash crop that underpins much of the rural economy. Life in the groundnut basin is difficult, the consequences of crop failure are harsh and the alternatives are limited. With much of the rural population and agricultural production in the groundnut basin, I concluded that the most viable development strategy was to focus on increasing productivity and crop diversification. The Mission Director had concluded that the preferred strategy was to invest in irrigated agriculture in the Senegal River watershed. She created an irrigation office carved out of the agriculture office and brought an irrigation engineer from her last post to manage the new office. Over the years the Mission had already invested \$100 million on irrigation feasibility and other studies on the Senegal River without making any investment in irrigation infrastructure!

Q: Let me clarify this. The mission spent \$100 million?

NILSESTUEN: Yes, over the years.

Q: Oh, wow.

NILSESTUEN: It was clear that the Mission Director believed that the best development strategy was to focus on irrigation in the north. I thought that it was important to consider the alternatives to irrigated agriculture.

My office managed a contract with Michigan State University (MSU) that focused on agronomy and crop production technology, economics and institution building with the National Agriculture Research Institute (INRA). I proposed that we recruit an agricultural economist. With his help we amended MSU's contract to carry out a large household study to better understand the sources and diversity of farmers' income, their marketing options, whether they would or could invest in fertilizer and estimate their capacity and willingness to innovate. The purpose of this work was to develop an empirical basis for an agricultural development strategy, focusing on resilience, diversification and small farmers' access to technology that was manageable and productive for them. This study took about a year to carry out. The development community was very interested in this research including the French development mission. But USAID mission management was more interested in results than analysis.

The Mission Director was betting on irrigated agriculture and decided to address the challenge of irrigation along the Senegal River by importing a dozen or more water buffalos from Thailand to provide draft power for land preparation, having concluded that

land preparation and cultivation were a principal constraint to irrigated agriculture. Water buffalos proved unable to solve the problem. The soil was so hard and heavy that a tractor was hired to first plow the fields before the buffalos were able to do the follow-on tillage. I had been dubious about the water buffalos from the beginning but the mission director was, as her deputy said, “a very self-sufficient manager”, meaning she didn’t really need or welcome ideas that differed from her own.

Q: So, Wayne, you laid out your case, but the mission director decided to go ahead with her idea. Is that what happened?

NILSESTUEN: Yes, the mission’s new irrigation office proceeded to focus on irrigated agriculture while we worked on developing an agriculture development strategy focused on addressing rainfed agriculture in the rest of the country.

Based on our findings and conclusions from the household survey and our work with MSU staff who provided short-term technical assistance, we decided to develop a major new agriculture project using contracting procedures that had recently been approved by the Agency. This contracting mode grew out of the Title XII partnership with the land grant universities. We employed a design and implement modality. Thus, MSU’s experience, recommendations and working relationship with Senegal’s National Agriculture Research Institute (INRA), informed our project design. The design was approved and put out for bid. MSU and two other land grant universities bid on the contract, LSU and Arizona State. The selection committee included representation from INRA. Although MSU played an active role in contributing to the project design, they were allowed to compete. They didn’t win! I thought that where a contractor proved capable, credible and reliable, it made sense to draw upon their capacity, connections and perspective to contract with them on a competitive basis for the next generation of assistance. Subsequently the Agency became more and more restrictive about allowing bids from any entity that had a relationship with project design that could, in any way, provide them with information that would constitute an “unfair advantage” in competing for projects.

Q: I'm going to take a pause because I didn't want to interrupt the flow, but I think at some point it would be very helpful for you to explain why the agency took this decision and whether you thought it was an appropriate decision. You put that in whenever you see fit, okay?

NILSESTUEN: Which decision?

Q: To move away from working with universities with this mode. Didn't you just say they decided to move away from that mode?

NILSESTUEN: The agency’s experimentation with design and implement contracting with Land Grant Universities was short lived. To my knowledge, USAID generally did not embrace this modality. Indeed, it decisively moved away from this contracting mode of employing design and then implement if you won the contract.

Q: Well, I'd be interested in that too. So USAID continued with land-grants, but under another modality. Again, I would be interested in your views on why they decided to move away from that.

NILSESTUEN: I believe that the root cause of concern about design and implement contracting modality was that it would give those involved in design an unfair advantage in competing for projects designed employing this methodology. As the years rolled by, I believe the agency became increasingly restrictive about any involvement that would give them an unfair competitive advantage over other bidders.

Much of time in Senegal was focused on figuring out the principal development challenges of the agriculture sector, mounting a serious agriculture sector analysis to inform programing and then designing and awarding a major project to assist the government in implementing the strategy. To my dismay, my successor discarded large parts of the assistance program designed and implemented by Land Grant Universities.

Q: So, that must have been frustrating for you after all that work. What was the rationale? Do you know why this person made that decision?

NILSESTUEN: My successor had served there before and I think he arrived with his own perspective on the development challenges in the ag sector. In fairness to him, it's not that he walked in and decided to change the world without any knowledge. He had a different view and fairly strongly held ideas about what was feasible and what would be the best way to proceed.

The other factor that impacted my effectiveness was mission management. My first Mission Director did not trust my leadership and my views about development assistance options. My second mission director was angry, abusive and intimidating. His mission staff meetings often left officers unnerved. He was particularly vindictive with me. He blamed me for holding an officer accountable for her performance whom he had insisted on bringing to the mission, notwithstanding her reputation. He expressed his displeasure by adding a comment to my AEF (performance evaluation) that resulted in the promotion panels considering me for separation. Had he had a second chance to evaluate me, I surely would have been terminated. The Deputy Mission Director who was very supportive of my work, spared me this fate by counselling me to leave early in the next rating cycle, before the Mission Director could weigh in again on an evaluation.

Q: I'd like to volunteer for the record. I think this is very special that you are willing to share what you believe in retrospect were not your strengths. I think that's a great contribution. And I think that second observation is a very important one. So thank you.

NILSESTUEN: Later in my career when I was serving as Mission Director in Paraguay, the LAC Bureau conducted a review of mission management by senior managers and staff with expertise in personnel management, financial management and contracting. The team spent 3 or days in the mission, interviewing most of the staff who were mostly

Paraguayan Foreign Service Nationals as well as the Ambassador and others. The mission was given high marks for management, morale, empowerment and working relationship with the Embassy. I was of course pleased with the findings. But I reflected on how Agency management had failed the Mission in Senegal, providing no meaningful senior management oversight.

Q: So, was it a mission management assessment in Paraguay?

NILSESTUEN: Yes.

Q: I have a bunch of questions. Tell me a bit about the FSNs in your office and in the Senegal mission in terms of their background qualification and what kind of recognition they received or not?

NILSESTUEN: I had a number of FSN on my staff in the Ag Office. They represented a range of skills, but all of them played a valuable role. They would speak up if I drew them out and involved them in the management decisions of the day. The American FSOs in my office, frankly, were mixed. Some were among the weakest staff with whom I had ever worked. One was downright insubordinate.

Q: What were your views of your counterparts in the Ministry of Agriculture and others, and comparing them also to your counterparts when you were elsewhere, El Salvador or other countries?

NILSESTUEN: My principal counterparts were in Senegal's National Agriculture Research Institute. Their leadership was quite good. I felt that under the director's leadership, we had a good working relationship. He was very competent and collaborative in discussing the kind of assistance that we programmed. In other program areas I may have relied too heavily on my staff in their capacity as project managers to work with implementing partners. I must admit that I didn't spend as much time in the field with implementing partners as I might have because I was less comfortable and capable working in French.

Q: Okay, so let's move on to other donors in agriculture. Were there many donors? Were there a few? What was the nature of your relationship? Were you competing with each other? Were you supporting each other?

NILSESTUEN: The French were the major bilateral donor. The World Bank had a significant program and was housed in the same office building as USAID. During the colonial period, Dakar had been the capital of French West Africa that extended from Senegal, through Mali, upper Volta, all the way to Chad. The ministries, research facilities and educational system were scaled to serve all of French West Africa.

The French prioritized their relationship with Senegal. Residents of Saint-Louis, in the north, were actually French citizens with voting rights and elected a representative to the French parliament. French development cooperation was large and very influential. The

French were partners in the locust spraying operation that I talked about. We had a major agriculture inputs project that focused on developing an input industry so that seed, pesticides and fertilizer could be produced and or marketed locally through existing market channels. The French were very interested in that approach as well. We met regularly with French cooperation staff in coordinating assistance in this area.

Q: So the major donor was the French. One last question, What was the nature of your backstop support from USAID Washington?

NILSESTUEN: This was the early days of the internet. If you wanted to contact Washington, you had to call. The mission director commandeered one of the few laptops in the mission and mandated that only he would contact Washington. He also authorized all calls to Washington. He maintained a tight grip on all communication with Washington. This was true for the entire mission, not just me.

Q: Okay. All right.

NILSESTUEN: As a result of the Mission Director's tight control on communication with USAID/Washington, it was only later in my career that I recognized the importance of staying in touch with key people and offices in USAID/Washington that could impact the program.

Q: But let's go back a moment. You had just come from the LAC bureau where you provided support to the missions, yes?

NILSESTUEN: Yes, we did.

Q: And so did you have a similar counterpart in the Africa Bureau?

NILSESTUEN: No because I didn't have access to email and phone calls.

VI. USAID/WASHINGTON AGAIN

1991 -1995

Q: All right, well, thank you. Please continue.

NILSESTUEN: After serving four and a half years in Senegal, I returned to Washington to serve as the Director of the Rural Development Division, LAC/DR/RD, where I had previously served as Deputy Director.

Our principal role was to provide technical assistance, backstopping support, project development and troubleshooting on technical issues and sector strategy development. Shortly after I arrived, Elena Brinneman, my supervisor and Director of LAC/DR, tasked me with developing a new agriculture development strategy for LAC. I set about revising and refocusing a draft that Elena was not happy with. In the time I had been away from the region, LAC field missions' development strategies and agricultural portfolios had shifted dramatically. Five years before the focus had been on household food security,

basic grains and serving very poor farmers. Now the objective was to move small farmers from subsistence to cash crops, offering the opportunity to raise household incomes and families out of poverty by supporting diversification to nontraditional export crops and linking them to lucrative markets in the US. The revisions I made in the draft strategy reflected this shift but Elena felt that my revisions were anchored in the present rather than forward looking. I asked Jim Riordan, a senior economist on my staff, to work on the strategy. He anchored it in transaction costs, a framework that accounted for all costs, financial, social, personal and externalities. The strategy was approved by LAC Bureau and subsequently employed widely by most LAC field missions in developing their strategies, programs and projects.

I managed an office with 6 Foreign Service Officers and the LACTECH project that financed specialists across a range of disciplines and program areas including agriculture economics, marketing, forestry, animal husbandry, agronomy, phytosanitary import requirements for agricultural products and food security. The office worked in partnership with field missions in addressing their development priorities. The flip side of our relationship with field missions was to participate in the LAC Bureau's review of project proposals, often from the perspective we had gained providing technical assistance to the missions in developing their project proposals. Over the course of several years, I visited virtually every agricultural development office in the LA region, providing perspective and feedback on their programs and getting to know their staff - FSOs, FSNs and contractors. As a result, I was involved in career development counseling, staffing and offering advice on prospective onward assignments.

It was also during this period that Joni and I adopted Nicolas. He was born in June, 1992 in Guatemala. We initiated the tedious and bureaucratic adoption process, engaging a lawyer in Guatemala, securing the required documentation on his birth and eligibility for adoption, selecting an adoption agency in the US and then submitting all the required documentation through the hierarchical chain, from county, to state, to national, (State Department) each tier acting on the lower tier's certification in an almost 19th century process seemingly based on personal knowledge of and confidence in the authority of the person who preceded you in certifying the validity of the information contained in each of the required documents.

My rotation to USAID/Washington coincided with the election of Bill Clinton and the political transition from a Republican to a Democratic administration. Brian Atwood was named the Agency Administrator. It took over a year before Brian Atwood was sworn in as Administrator and even more time before Mark Schneider was nominated and confirmed as the Assistant Administrator for LAC (AA/LAC). This transition in agency and AA/LAC was rocky. There were Congressional demands for reform, more accountability and major budget cuts and even threats to eliminate the Agency or fold it into the State Department. To consolidate and reduce costs, LAC management decided to consolidate the management structure of the offices that provided technical leadership. While I was Director of the Agriculture Development Office, I was tasked with creating a management structure in which the traditional technical offices of Health, Population, Education and the Environment would report to me. The Trade office argued that its

linkages within the agency and externally would be weakened by consolidation into the new office, but my reassurance that they would be able to retain much of their management authority and autonomy brought them along. The Democracy and Governance (DG) office was fiercely opposed to the consolidation so LAC management agreed to their autonomy until their office director retired. LAC formalized this new management structure including DG, naming it the office of Regional Sustainable Development creating LAC/RSD. I was named its first director.

Responding to demands for reform, results and cost cutting, Administrator Atwood decided to reduce technical staffing and costs by mandating that most technical expertise, leadership and field support should be provided by the central bureaus and that regional bureaus' technical staffing should be dramatically reduced. While I understood the budgetary calculations, I felt that this abrupt and draconian shift in the paradigm for providing technical support to field missions failed to account for the loss of regional and geographic expertise and broke the partnership linkages between LAC field missions and the LAC bureau.

This of course resulted in the end of LACTECH and its services to field missions. This also meant that the new RSD office that I was now directing needed to absorb staffing cuts across the sectors. Although I worked closely with all of the RSD technical teams to make sure they felt heard and advocated for funding for TDYs to field missions, it was an uphill battle and a challenge to maintain their morale in the face of loss of autonomy.

In 1994, my boss, Elena Brineman was assigned to Honduras as the Deputy Mission Director. It was also time for me to consider my preferences for an onward assignment. The position of director of the agriculture development office in Honduras would be open. The mission had a large, impactful, well managed office and offered a good opportunity to continue my career as an ADO. Over the course of my 20-year career I had always seen myself as an ADO. I liked working on and managing programs directly and indirectly impacting the lives of beneficiaries, their families and their communities. I also liked dealing with policies that impacted the sector.

Elena would be promoted to Mission Director, opening up the Deputy Director position. For the first time in my career, I began to consider the possibility of moving from my technical area to senior management. When I joined the agency in the mid-70's, upward mobility to mission management for technical officers was virtually incomprehensible. Suddenly I faced a distinct choice, whether to continue to work as an agriculture development officer or aspire to a career path in senior management. It was with some reservations I asked Elena if she would consider me as a candidate for Deputy Mission Director. She immediately encouraged me to bid on the position and I was selected. Unlike the screening and selection process employed to select for senior management positions in later years, the mission director had considerable latitude in selecting their preferred candidate. This is a decision I never regretted and enjoyed spending the second half of my career in senior management positions that broadened my engagement across the wide range of programs that USAID supported.

This was also a fortuitous choice. In 1996 USAID management mandated a Reduction In Force to reduce the size of the work force, mostly in technical fields. Over 100 officers were RIFFED, with agriculture officers taking the biggest hit, but education, economists and others were not spared. A scoring system determined the order in which officers in various technical fields would be RIFFED. Widespread anxiety reigned as officers awaited their fate or that of colleagues. I too would have been RIFFED had I remained an agriculture development officer. I was spared because my position as Deputy Mission in Honduras was classified as senior management.

Q: Can we go back a moment to your time in USAID/W before your assignment to Honduras: What was the leadership when you arrived in 91?

NILSESTUEN: Ronald Roskins served as USAID Administrator for about a year and a half, from March 1990 to December, 1992. Brian Atwood then served as the Administrator during much of the Clinton administration, from 1993 to 1999.

Q: What was the nature of the strategy in agriculture during the time? How did it evolve? What kind of support did you get or not from the central bureau?

NILSESTUEN: As I noted, during the first 2 years of my Washington tour, the agriculture strategy had been approved by LAC management and was embraced by most field missions. It promoted diversification of small farmer productions to high value horticultural cash crops that were linked to lucrative US markets. The goal was to move small farmers from subsistence farming to the market with the opportunity to raise families and their communities out of poverty. The strategy acknowledged that this assistance could not reach the poorest of the poor, the landless and the near landless. Transaction costs for inputs and marketing were high and volumes were low for small farmers who often were widely dispersed and lacked access to all-weather roads.

At the time that Brian Atwood was confirmed as Administrator there was growing bipartisan congressional pressure to reduce funding for USAID, or even more draconian calls for transferring the agency to the State Department. This pressure prompted the wholesale reorganization of USAID, including the reduction in technical staff and the centralization of technical expertise into a bureau with a global mandate, while most regional bureau's technical staff were transferred to the global bureau.

To modernize the agency and make it more readily accountable to the demands of congress, Larry Burns, Assistant Administrator for Management, insisted that the agency make a large and immediate investment in its computer-based management technology intended to allow Washington and field offices to track commitments, obligations, disbursements and pipelines. The Administrator committed to this ambitious goal that cost tens of millions of dollars and that required money to be pulled out of other parts of the budget. Burns insisted that this new management tool must begin to show results almost immediately. In the absence of field testing, the system failed the test badly but the budget cuts had to be absorbed. The result was the large-scale Reduction in Force in 1996 that I foreshadowed above,

Q: So let's talk about the reorganization. By this time, who is our administrator? Brian Atwood, no? Larry Burns, wasn't he involved in the reorganization?

NILSESTUEN: Yes, Brian Atwood was the USAID Administrator and Larry Burns was the Assistant Administrator for Management.

Q: Okay, that's an important piece of history. Go ahead.

NILSESTUEN: Yeah, it was Brian Atwood and of course, Larry Burns.

Q: Right. Okay.

NILSESTUEN: So, I was just reflecting on the Regional Sustainable Development Office, RSD. Mark Schneider had arrived as the AA for the bureau.

Q: What was the difference between being an agriculture office and an RSD office?

NILSESTUEN: As noted above, with the confirmation of Brian Atwood as Administrator and then Mark Schneider as AA/LAC, my role and focus were dictated by the mandate to reorganize and transfer technical assistance functions and staff to central agency bureaus. Consequently, my principal functions and responsibilities were management, even though I had taken on responsibility for the oversight of 5 technical teams, not just agriculture. Regional bureau functions and relevance vis-à-vis LAC field missions were marginalized.

VII. HONDURAS

1995 - 1998

Q: OK thanks. Let's return to your assignment in Honduras

In the summer of 1995, we bought a car, shipped it to post, packed up our household and flew to Tegucigalpa where I began a new chapter in my 22-year USAID career – mission management. At that time, one learned the trade by “apprenticeship”, i.e. under the direction and supervision of the mission director. There were no training courses for officers transitioning to mission management. Elena Brineman, the Mission Director, had a management style to stay on top of the details and the flow of the entire mission program. She managed USAID's relationship with the Embassy and cultivated relations with government counterparts and influential political players. This meant she covered all the bases. She held meetings weekly with each of the office directors, weekly-senior staff meetings and frequent consultations on matters of the moment with managers. Elena involved me in most of these meetings that rapidly provided me with an overview of all of the mission's programs and a growing awareness of the issues of the day. Due to the armed conflicts and political unrest in Central America in the '80s, US foreign policy supported large budgets and expanded programs. But by 1995, the tide had changed and the agency faced static, and in some areas, declining program budget resources.

The end of the 30-year conflict in Guatemala required a large “peace dividend” boosting Guatemala’s budget while Honduras’ and other regional missions’ programs helped to finance the “peace dividend”. Elena modeled management of the mission’s relationship with LAC, not just the front office but also the LAC budget team and the program office. She mentored by example and involved me with most of these meetings, although less frequently in consultation with the LAC front office.

The mission’s challenge was to navigate a relatively smooth, non-disruptive decline in program funding while planning a new five-year strategy starting in 1997. The Mission’s innovative forestry management program, its hard-nosed rural co-operative savings and loan program that “fed the winners and starved the losers”, the model private agricultural research foundation endowed with PL-480 local currency funding and the influential agricultural policy reform project, along with other agricultural and environmental projects had to be judged through the lens of competing priorities within the mission and with LAC. There were also choices to be made with the mission’s health sector and PL-480 feeding program. Choices also had to be made in the local government programs that collaborated with municipal governments that financed priority infrastructure projects with local currency requiring enhanced financial accountability and citizens’ participation in local-government decision making.

I had only served there for about four months when our son, Nicolas, died tragically, drowned in a swimming pool on Thanksgiving weekend, 1995. We were shattered. Elena was very generous. She told us to go home and take as much time as we needed. We left immediately and flew back to rural Wisconsin where I had grown up, to bury Nicolas in the Tamarack Cemetery where grandparents, aunts, uncles and many other family members were and would be buried. Then we returned to Washington to hold a memorial service at the Washington Ethical Society where we were members. We were stunned by the turn out. There was standing room only. Not only were there many WES members who we didn’t know but also colleagues with whom I had served with in Washington and overseas, including American Ambassador to Senegal, George Moose and his wife.

Still dealing with our grief we joined our family in Yellowstone National Park where Joni’s brother was a park ranger. The park was closed due to a governmentwide shutdown over congressional budget fights. As a result, we largely had the park to ourselves, exploring the park in a lumbering snow coach, marveling at the incredible ice formations and the sight of Old Faithful in a white landscape and deep blue skies. But mostly it was a time with family, comforting and caring.

We returned to post in early January, some six weeks after we had left. Everyone offered sympathy and support. But they also wanted a memorial service, an opportunity to share in our loss and our love of our son. We had not planned to have a third service but felt it was more important for the community. We planned to hold the service in a small neighborhood church and decided on music including John Lennon’s “Let It Be”. The church objected to the song with its lyrics, “mother Mary let it be”, viewing it as a reference to the Virgin Mary. We decided we would not honor Nicolas where our celebration was not welcome.

Colleagues Mary Ann Anderson and John Chudy offered to host the service in their large yard. USAID and embassy colleagues, friends and Nicolas's nursery school teachers came. We were moved by the outpouring and amazed how many people later told us about losing a child who had drowned or suffered permanent brain damage in a swimming pool accident. Our loss connected us to our new community. I was also surprised by the outpouring of empathy and condolences cards and emails from so many in USAID, some of whom I didn't even know. Tragedy can connect you.

Elena had waited until our return in January to take open-ended medical leave. She was away from post for four or five months but she increasingly stayed in touch as her treatment progressed. I was now the acting Mission Director, managing the Mission and our relationship with the embassy while Joni and I were still grieving the loss of our son. Those were difficult times. I knew Elena to be a hands-on manager so I kept her posted on program status, issues and important decision points. I saw my role as providing a steady hand and continuity. I didn't see my role as charting a new course or making major shifts in strategy or program. But nevertheless, the mission was engaged in developing a strategy. And of course, that involves all the offices. As we moved into the strategy formulation process it was my inclination to listen to the technical staff and balance this with the processes and perspective provided by the Program Office and Project Development Office Directors. I was cautious about shifting course. I thought Elena would want to be involved in making those decisions.

Q: Can I stop you there? Knowing Elena the way I do, or I did unfortunately, because we lost her later on, I can't imagine that she was silent in the background during that period.

NILSESTUEN: I made a point of staying in touch with her by email and by phone. She certainly had views that I definitely tried to take into account. After all, she was the mission director and that was her role and responsibility. At one point, she felt that I wasn't as bold as I might have been in accepting some of the proposals from the Agriculture Development Office. I was reluctant to impose what I thought might have been my views but later she chided me for not being decisive. I was surprised because I felt that I had made an effort to keep Elena apprised of the decisions that needed to be made in the process of developing the new five-year strategy.

Q: What happened to you should happen to no one, and especially such a young life! It's hard to even imagine what you went through, and then having been foisted with this responsibility.

NILSESTUEN: I do remember the project with CODEP that linked vocational training schools to private sector demand and created immediate job opportunities for graduates. This was not only a good development model but it also suited Honduras' conservative political elite.

The mission also had an innovative local government program that helped to finance local infrastructure like roads and bridges with PL-480 local currency generations. This

assistance was coupled with technical assistance to strengthen local government management and community participation in governance. Local currency also augmented local governments' capacity to respond to felt needs and foster democratic participation while being held accountable for finances and results. This model of fostering democratic participation and accountability at a local level was a lesson that would serve me well over the course of my career.

I retained three management lessons from working with Elena.

First, Elena regularly and rigorously scrutinized projects' pipelines. As Agency and LAC budgets were under pressure and Honduras was no longer a priority, Washington cut budgets if pipeline analysis produced estimates that there was more than 15 months of funding in the pipeline. This would be enough time to continue project implementation at projected project execution and disbursement rates.

Second, the importance of pressing to expedite procurement at every point possible, working with procurement staff to both support them and hold them accountable. The agency had estimates of the time to complete the many steps for a contract award and start up. Elena pressed to find ways to keep the actors focused and progress tracked.

Third, Elena sought to protect her Executive Officer from sniping and complaints. While she recognized the mission staff's frustration with the services they receive, she reminded me that it is a job that always generates complaints and seldom recognizes good service with thanks and appreciation.

Q: How was the country situation politically in terms of leadership? How were the relationships with donors at that time?

NILSESTUEN: In Elena's long absence from post, I attended the Ambassador's weekly senior staff meeting. This provided me with a view of important domestic policy and bilateral issues. It was also a front row seat on Embassy management. The Ambassador had limited prior experience in working with USAID and the DCM even less. Her previous post was Taiwan and she frequently measured public sector performance in Honduras with that in Taiwan. She was more inclined to be skeptical than supportive of USAID's successes and challenges. But USAID was an important donor. Its legacy cast a large, positive shadow on the political landscape.

I acquainted myself with the politics and the issues of the day by scanning the daily newspapers. My driver brought me the papers every day when he picked me up and I quickly scanned them on the way to the office. Elena cultivated relations with several important figures, pointing out their prospects of taking on larger roles in the foreseeable future.

Before Nicolas died, Joni and I had decided to adopt another child and had submitted the required paperwork. When Nicolas died we put this on hold but after some time we decided we wanted another child, recognizing that this child could never replace Nicolas.

Having been through the tedious processes of adoption before, we started down that road again with the help of a local lawyer and an adoption agency in the USA. After some time, we were offered a baby girl. We said YES. While the Honduran adoption process proceeded slowly “our baby girl” was placed with a foster mother, Sofia. We had opportunities to meet our baby and were reassured by her nurturing foster mother.

Months passed and then out of the blue, we got a call to come and pick up Francesca. We scrambled, having no diapers, bottles or other essential first day supplies. She was five and a half months old when we brought her home. The adoption process dragged on for almost two years and the end of my assignment loomed on the horizon. Finally, a friend of Joni’s talked to President Flores’ wife, an American citizen, who held a titular position in the Honduran adoption agency. She inquired and shortly thereafter Francesca’s adoption was completed, only a couple of months before our sudden and tumultuous departure in November, 1998.

Q: So, are we pretty much finished with Honduras?

NILSESTUEN: Not yet. In October my father became very sick, so Joni, Francesca and I flew home to visit him in the hospital. He died a few days later and we stayed on for the funeral. It was raining when we returned home. Tropical Hurricane Mitch was building to a category 5 storm in the Caribbean. It moved inland and raked the interior, passing over Tegucigalpa 4 times, dropping huge volumes of water that overflowed the rivers and wrought destruction on its way to the coast. We monitored reports on the news and watched the Choluteca River chew away at USAID’s parking lot, worrying about the security of the office itself. Over 4000 people were killed, houses destroyed, roads and bridges washed out and thousands of acres of crops flooded. It was a national disaster.

I had already been assigned to serve as the Deputy Mission Director in Bolivia with orders to arrive as soon as possible. Elena tasked me with writing interim AEFs (annual employee performance evaluation) before I left. So, while the entire mission staff was mobilized to report on damage and mobilize assistance, I was confined to my office writing AEFs. I understood Elena’s concern that my hasty departure not undermine the process of generating fair and unabridged evaluations. Much of Tegucigalpa’s water system was damaged. Potable water was trucked to our house. Our packout was chaotic. It was a terrible way to leave; certainly no way to say goodbye.

Q: This is a good point to stop. Thank you so much and I look forward to our next interview.

VIII. BOLIVIA

1998 – 2002

Q: Today is January 17th, 2024, and we are continuing with the interview with Wayne Nilsestuen. Wayne will cover his assignments to Bolivia and Paraguay. So welcome back, Wayne. I'm enjoying listening to your story.

NILSESTUEN: Thank you, Marcy. And I'm going to take the liberty again of pronouncing this exotic Norwegian name, Nilsestuen.

Q: Thank you, I will correct that in the future.

NILSESTUEN: It was late November when we arrived in La Paz. We were transported to a large four-story house that we learned had recently been rented for the mission director with the intention that it would accommodate large receptions and official dining functions. The house was totally unsuitable for our family. In the thin air at 10,000 ft above sea level, we were oxygen deprived as we slowly adapted to navigating the multiple stories of our new home. The house had been rented before Frank Almaguer, the Mission Director, learned that he had been nominated to serve as US Ambassador to Honduras, but it was a well-guarded secret until the nomination was officially announced. The urgency of our arrival was to allow the Almaguers to take home leave before transferring. I had been at post only a few weeks before I found myself managing the mission and maintaining our "space" in the Ambassador's weekly senior staff meeting. Only when Frank returned did the mission learn that Frank would be leaving in a few months for his posting as US Ambassador to Honduras.

When Frank departed around March, I was again Acting mission Director for an open-ended period. A new director had not been named. Over the next several months, I was in the awkward position of not knowing whether I might be named director. When I learned that Liliana Ayalde was named director and would be arriving in a month I was reassured. I knew her from our time when we served in the LAC bureau. Lilliana was very collegial and inclusive as she acquainted herself with the Mission's programs, partners and Embassy staff. She made a special effort to reach out to the staff, walking through the mission to meet and greet everyone during her first week. This made a big impression on the FSN staff.

Prior to Lilliana's arrival, we moved to the house the Almaguers had occupied, a large, conveniently located house that better suited our family needs, work-related events and entertaining.

Q: Excuse me, this is what you call trial by fire, right?

NILSESTUEN: Yes, indeed. USAID had a very large staff and a large program reach. The mission also served as a regional hub, providing support services to Paraguay and Brazil for such things as contracting and financial management oversight.

There were a lot of moving parts to the program. Counternarcotics was the overarching US foreign policy objective in Bolivia. The strategy was to suppress cocaine production, interdict the export of drugs and provide alternative livelihoods for coca farmers as an incentive to reduce production. The institutional responsibility for these functions was spread between three parts of the embassy. The Narcotics Affairs Section (NAS), part of the State Department that operated with a good degree of management autonomy, was responsible for coca eradication. NAS financed army conscripts to find coca fields and

chop the coca down with machetes. Coca farmers responded by searching out new sites and planting more coca. The Drug Enforcement Agency (DEA) was responsible for interdiction of cocaine paste and precursor chemicals used to produce it and the destruction of the small-scale “cookers” scattered throughout the Chapare, used to produce coca paste. USAID financed investments in alternative crops, infrastructure and marketing that provided coca farmers with an alternative to the lucrative practice of growing coca.

NAS measured progress by the number of hectares eradicated. USAID measured the area under alternative crops production, the volume and value of crops produced and the estimated farm-gate value of alternative crops marketed. USAID conditioned alternative development assistance on farmers destroying their coca and not planting more. The State Department regarded coca eradication as intuitively related to the mega counternarcotics objective. Its progress could be measured over time and across other Andean coca producing countries. The country team meetings with the Ambassador were often dominated by a focus on counternarcotics. USAID often fared somewhat poorly in the exchange, relying on the cumulative impact of alternative development rather than the number of hectares of coca eradicated reported by NAS.

alternative development impact metrics that were often seasonal. And the impact of foregoing coca cultivation was cumulative, not an intermittent, non-sustainable measure of hectares eradication.

USAID’s efforts to create a viable alternative to coca production for small farmers spanned nearly 20 years. It began with agronomic research to identify crops and their agronomic requirement to produce in the Chapare, a low-land tropical area that had little cultivated agriculture before it was opened to colonization in the late 60’s. The quality and quantity of production had to satisfy market demand, requiring roads and transportation networks to get production to market and investments in packing sheds, cold storage and other facilities. These investments, public and private, donor and government financed, took shape over the years, creating the basis of a broad-base rural economy. USAID made investments in upgrading badly rutted roads to the Argentine border creating a reliable all-weather road for shipments of bananas to Argentina’s lucrative northern market. Road improvements on the national highway made the lucrative markets in La Paz accessible the year around and the commerce and employment in towns in the Chapare, nurturing an increasingly diversified economy. USAID also supported health posts and services in the Chapare, contributing to stable settlement patterns where families were more inclined to make the Chapare their home.

Notwithstanding these investments and efforts to create a viable, sustainable, diversified economy in the Chapare, NAS’s forced eradication tactics generated increasing resistance and anger. In 1997 Evo Morales, a militant campesino labor leader who was frequently arrested for his aggressive tactics, was elected to Congress. In 1998 he became the leader of MAS (Movimiento al Socialismo) He opposed all efforts to limit coca cultivation, defending coca as part of Bolivia’s sacred cultural heritage and practice. In this increasing conflictive space, coca farmers had to make a choice. Some continued to grow coca and

make good money but at the risk of forced eradication with nothing to show for their investment of time and effort. Alternatively, they could participate in local cooperatives and social groups that committed to the terms of USAID's alternative development assistance – forego coca cultivation and receive assistance in producing high value, non-traditional crops. Potential earnings were less risky than the possibility of forced eradication. MAS was opposed to this elective coca reduction.

The USG's counternarcotics programs were controversial among many in the donor community. They argued that forced eradication deprived poor farmers of their livelihood and failed to recognize the hardship it imposed on families. They also opposed USAID's alternative development programs, rejecting our calculations showing that alternative crops could be almost as, if not more, remunerative than coca cultivation. They also objected to our failure to respect Bolivian's legitimate defense of coca's place in their culture. On the other hand, much of the illicit cocaine flowed into European and South American markets to which they had no effective response.

USG supported counternarcotics programs were carried out within the framework of bilateral agreements. USAID's sponsored programs were developed in consultation with the relevant ministries and formalized in a bilateral agreement. Experience showed that when the GOB was committed to forced eradication and cooperation on alternative development, coca production declined dramatically. In the absence of this commitment coca cultivation surged again. In 1997, there were 97,000 hectares of coca cultivated. By 2002, there were just 14,000 hectares. Following increasing political unrest and militancy by MAS in the Chapare, the GOB backed off enforcing the terms of its commitment to eradication. Coca cultivation surged again. I concluded that meaningful sustainable coca cultivation reduction was only feasible with real, sustained political commitment to shared goals and the means to achieve them.

Q: So, Evo Morales at some point became president. Did this coincide with the resurgence of coca production or was that?

NILSESTUEN: Evo Morales ran for president twice. The first time was in 2002. He came in second and the outcome generated a good deal of unrest and violence in the streets of La Paz. There were those in the Embassy who thought that this was the moment to push for Morales' arrest and contain this unrest before it undermined the USG's counternarcotics program. But the ambassador was of the prudent view that Morales represented a political force that needed to be reckoned with and that wasn't the way to deal with it. Over time there was growing support for Evo and the demands that MAS made for more political space and participation of Bolivia's indigenous population. Bolivia had the largest portion of indigenous population in Latin America – 60 per cent. Not only did the donor community (including the USG) fervently believe that indigenous peoples had largely been excluded from much of the fruits of development, but increasingly the voting public of Bolivia shared this view. In 2006 they gave Evo Morales the opportunity to govern. He won that presidential election with a plurality of over 40% of the vote.

Q: So with those dynamics, you said that over time, Coca increased because of lack of commitment on the part of the government. Can you talk a little bit about the dynamics about what was behind that?

NILSESTUEN: Back in 1994 the Law of Popular Participation was enacted. It created 314 municipalities, provided for the election of mayors and municipal counsellors and specified that 20% of state resources must be made available to the municipalities, allocated on a per capita basis. It was sweeping in its ambition to foster democratic participation, promote a degree of decentralization and reach the rural, indigenous poor. With donor support, resources and encouragement the Hugo Banzer administration, 1997 – 2001, undertook vigorous implementation of the law. USAID provided technical assistance helping to strengthen the newly created municipal governments' administrative capacity and encourage governance practices that were inclusive and participatory. The World Bank provided significant resources that were allocated to municipal governments. As local governments were strengthened and departmental governors gained clout, there was increasing recognition among urban voters for the need to allow greater political participation by the country's indigenous majority. The legitimacy of Evo Morales' defense of indigenous coca farmers rights was met with increasing understanding, even in the face of concerns about narco threats to democratic governance.

Although the alternative development program was the largest and politically the most directly linked to USG foreign policy interests, the mission also managed large impactful programs of national significance in other sectors. The mission financed reforms in the judicial sector, supporting a case tracking system to improve management and reduce the opportunities for improper influence to make cases disappear. In addition to support for implementation of Popular Participation Law, the Mission supported the association of departmental governors that provided a regional counterbalance to the central government. The Mission also provided technical assistance on tropical forestry management that laid the basis for legislation which provided a framework for managing the vast expanse of tropical forests threatened by private loggers who made sustainable forestry management unviable. In the health sector the Mission supported ProSalud, shifting it from a government managed and donor supported health system to become a non-government organization (NGO) that managed rural health posts in underserved rural areas, clinics in secondary towns, and increased access to family planning services. The Mission also managed a large PL-480 program that monetized imported wheat. That revenue financed the program costs of four large NGOs who worked with communities that made road improvements, built or restored small-scale irrigation and made other infrastructure improvements.

Given the breadth and size of USAID's program, the mission was very engaged with both multilateral and bilateral donors. With the World Bank, our principal collaboration was around support for the implementation of the Law of Popular Participation. The Bank's funding helped the GOB meet its funding commitment to the municipalities and our technical assistance created municipal capacity to manage their resources and encourage citizen participation in their governance. We worked in the same space on judicial reform with the InterAmerican Development Bank. They worked on a case tracking system that

failed to account for the technology that we had developed and they had little interest in collaborating to reconcile our differences.

The European Development Cooperation started a program shortly after I arrived at post. They developed a large counternarcotics program that focused on reducing coca cultivation non-coercively. Their program director cultivated a personal relationship with Evo Morales whereas the USG's counternarcotics program had an adversarial relationship with Evo. Nevertheless, we found areas to coordinate in providing assistance for alternatives to coca cultivation for small farmers in the Chapare. The bilateral donors coordinated their assistance around supporting the United Nations' Sustainable Development Goals (SDGs). The European donors favored direct assistance, providing budget support for public sector institutions to manage and execute their programs. USAID's assistance was programmed by an overarching bilateral agreement with the GOB. Actual implementation of most programs and projects was carried out by American consulting firms or NGOs. Generally, USAID's assistance broadly aligned with the UN's SDGs but there was minimal coordination with the exception of the health sector. Liliana was very engaged and collaborative in working with both the multilateral and bilateral donors.

While of course Liliana was responsible for overall management of the mission, she prioritized managing the mission's external relations. The Ambassador relied heavily on her and when the DCM was away from post, Liliana served as acting DCM. She maintained connections with ministers and vice ministers responsible for the mission's principal program areas like agriculture, health, the supreme court and of course the Minister of Planning who was the Mission's principal counterpart. She frequently involved me in these meetings and I regularly attended the Ambassador's weekly senior staff meeting. She delegated to me responsibility for day-to-day program management. I met weekly with office directors, with and without Liliana. I enjoyed this role and learned a lot from not only the staff but also from the implementing partners. While field trips were all too infrequent, they were always very informative and provided me a more informed perspective in dealing with management issues that office directors brought to their meetings with me.

In most respects, USAID/Bolivia was a well-run Mission. FSOs and FSNs liked and respected Liliana. But there was running tension between line and the staff offices. Technical office directors complained that the review and clearance process took too long, delayed procurement or implementation that undermined their projects' effectiveness. Staff offices countered that the documents prepared by technical offices for clearance, couldn't be cleared without changes. This friction sometimes surfaced in the mission's weekly senior staff meetings.

To address this problem Liliana decided to contract with one of the management firms that were easily accessible via minimally competitive contracting procedures. To diagnose the mission's organization and management challenges, the contractor's team spent a week or more interviewing all 150 plus staff members.

They laid out their findings and then recommended that the mission meet, discuss the findings and talk through the conclusions and recommendations. The investment of staff time and money met the management challenges head on. The mission committed to an extended teambuilding process that improved morale and productivity.

Q: I was part of the very first mission management assessment that was ever done in the 80s. And I went with Malcolm Butler and others to Quito. It kind of surprised me to hear that we were contracting out mission management assessments because as I recall, a very important part of the assessment was our understanding of what was happening internally. So I'd be just curious, first of all, who came in to do the assessment and what your reflections are on having a management assessment done by you say staff with experience versus contractor?

NILSESTUEN: Well, I had a chance to experience both. I think this predated deciding that they would mobilize staff to do mission management assessments.

Q: Well, I did this in 1985 or 86. That was the first one. Okay, anyway, go ahead.

NILSESTUEN: This assessment was contracted, but later when I was in Paraguay, the LAC Bureau did send down a USAID team of senior officers with program and strategy background, contracting, personnel management, et cetera. Having experienced both kinds of assessments, I thought that was an appropriate model. I think that labeling it a mission management assessment is perhaps misleading in the context of what the mission experienced. In this case it was intended to deal with specific management issues with which the mission was dealing.

My conclusions about my time in Bolivia were that Liliana was widely regarded as a good manager and well-liked by the staff. She was an excellent mentor in terms of dealing with the embassy and other donors in other sectors and dealing with USAID/Washington. I participated less frequently in calls to the LAC Bureau or others in Washington. I probably would have benefited from a little more participation in dealing with Washington. I practiced very much an open-door policy. Even though Bolivia was a large and busy mission, people were welcome to see me with or without an appointment. I was always accessible with senior managers and frankly anyone who thought they had an important issue to discuss.

Q: Okay, I now have several more questions regarding management and internal operations. First of all, you twice were put into a situation where you were thrust into senior management and to managing a mission that you hadn't anticipated. Do you feel that you were prepared for it? I guess since then there has been training for mission directors, but what would have been helpful to you? Or were you fine in terms of your ability to manage?

NILSESTUEN: I never had an opportunity to participate in training courses offered to prepare managers for more senior management roles like deputy mission director or mission director. I've heard good things about them and I'm sure they would have been

helpful. In fact, I think Liliana had a chance to take some of these courses along the way. I think that it's hard for me to say what I missed or what would have been particularly helpful. Every embassy has its own dynamics, every ambassador is different. That certainly is my experience. It would have helped to have a little bit of perspective on approaching the relationship with the ambassador. Another thing that became more important was donor coordination and managing the mission's relationship with the donor coordination structure. In Honduras, there wasn't much donor coordination. In Bolivia, I walked into a world in which donor coordination was a matter of "religion" among the European donors. It would have been helpful to have been better prepared on how to approach them and vis-a-vis the host government.

Q: Thank you. That's very thoughtful. Let's talk a little bit about FSNs. What was your experience with FSNs as a senior manager in Honduras and Bolivia? What was your view on their roles, their capabilities?

NILSESTUEN: They were excellent, absolutely first class. Certainly in Honduras and Bolivia, they were very good. The American FSO who worked on forestry was influential in Bolivia, rewriting its forestry laws. He didn't do that just by himself, but working with really good FSNs. In the health sector, there was also real depth. In fact, when I went back to Bolivia later, I found some of those staff still in place, including in the health sector. They were people who had stature and respect both in the donor community and with counterparts in the government. I think that in general, the quality and impact of FSNs in LAC missions compared very favorably with FSNs in other regions.

Q: The current administrator is giving a lot more emphasis to supporting FSNs. That's always been a challenge because they have been so capable in many places and some places very appreciated and others not.

NILSESTUEN: Did you say that the Agency is giving more or less emphasis to the role of FSNs?

Q: Apparently recognizing and rewarding FSNs and giving them increased authority as a part of the country team. That's just basically what I've heard.

So you mentioned an important topic, mentoring. You were mentored by Liliana. I know Liliana well from where she was working in education years before, lovely woman. Did you find time to mentor others? Did you have other mentors? How did mentoring fit into the picture of your career?

NILSESTUEN: I'm smiling because when I went back to Bolivia (2010 – 2013), it was when USAID had a rapid intake of new entry applicants, NEPs. The mission had five or 6. USAID/Washington encouraged us to mentor them, but it seemed to be an artificial construct. I met with them with some regularity and answered their questions, but I was hard pressed to translate that mandate into a more operational, tangible working relationship. My own mentoring experience was working with immediate supervisors and really seeing them model various management styles. With a half a dozen new officers

scattered throughout the mission, I didn't have the time nor was it my role to directly mentor them. It's an interesting question. I haven't thought about to what extent that I served as a mentor. I mentored by example. I think those NEPS who worked with me more closely had a greater opportunity to reflect on my management style and the value I placed on interpersonal relationships.

Q: Or whether outside of that, you found Liliana to be a mentor and that was helpful. Speaking for myself, I chose my mentors. I would say, Tony Cauteruci, you're my mentor whether or not you want to. At each post I choose somebody who I really admired. It's an interesting topic. Well, thank you. That was a very thorough review of Bolivia. So I guess we're ready to move to Paraguay?

IX PARAGUAY

2002 – 2006

NILSESTUEN: Upon our departure from La Paz, we went on Home Leave, visiting family, getting our medical checkups and clearances required for our onward posting, meeting with the Paraguayan Ambassador to the US (who later became the Minister of Foreign Relations) and in June, I was sworn in at a ceremony attended by friends, colleagues and family, including Francesca who was 5. We arrived in Paraguay's winter and were temporarily placed in my predecessor's house until a suitable house could be found and leased. Several months later a house with a generous space for receptions and entertainment was found. Unfortunately it had a small swimming pool, as did virtually all suitable houses, due to the brutally hot, long summers. We agreed, but only if the swimming pool had a child-proof fence before we moved in. Memories of Nicolas' death were foremost. The house was located a short walk to the American school of Paraguay where Francesca entered kindergarten shortly after we arrived.

The USAID Mission was located in a beautiful old mansion, protected by its historical designation and located in a garden with large trees that bloomed at the onset of summer. I was delighted with the office, welcomed warmly by the staff and incorporated into the Ambassador's senior management team. In those early days, I felt that serving as the Mission Director, not just acting, was different. The buck now stopped with me. I would have welcomed some of the senior management courses that the agency offered to officers transitioning to mission director assignments. But my very capable staff provided me with all the support and advice I needed

USAID/Paraguay was a small mission. It had a total staff of 28, including one Foreign Service Officer who functioned as my de facto deputy director, one USPSC who was the democracy and governance office director and all the other staff were FSNs. The mission had an executive officer, a procurement specialist and two financial management specialists. USAID/Bolivia provided oversight, review and approval of some of these functions. The Mission's annual program budget averaged \$10 million. Notwithstanding its size, the mission had three strategic objective program areas, health, environment and democracy/governance. In 2002 the Paraguay's population was 5.1 million and remained predominantly rural, with the economy outside of Asuncion predominantly agrarian.

Although the Paraguay Mission was small and commanded little of the LAC Bureau's attention, it turned out to be the ideal assignment because it allowed me to bridge the role between senior management and technical program oversight. It appealed to my interest in dealing with programs that impacted people, communities and the institutions that served them and to hold the management authority to press partners for changes or advocate for more resources from Washington. My role as USAID mission director was important to the Embassy. The scope of USAID's program, staff, press exposure and the connections with civil society were important assets to the Embassy in managing the USG's bilateral interests in Paraguay. I thrived on this opportunity to enjoy both of these management worlds and the experience served me well in future assignments in larger missions.

It was a constant challenge to secure sufficient annual budget allowances to sustain the projects and activities in Mission's three program areas. Every contract and grant was incrementally funded year to year and LAC straight lined our budget at best. During my second year, the LAC controller developed a model for allocating program resources. Employing the model determined that the Paraguay Mission merited an annual program budget of \$16 million. We were delighted and pressed our case, saying that we would accept incremental funding starting with \$12 million. LAC agreed to provide \$10 million and pledged to incrementally increase funding in out years. They never did.

The LAC Bureau carried out a management review of the mission, deploying a team led by a senior Foreign Service Officer, a human resources manager and a controller. After interviewing me, the team met with every member of the Mission's staff, Americans and FSNs. They met with the Ambassador, others in the Embassy and some of the Mission's implementing partners. When they wrapped up after 3 or 4 days they debriefed me on the findings and conclusions. I was very proud of the Mission and particularly pleased that the reviewers recognized the outstanding performance and achievements of a mission largely run and managed by FSNs. This conclusion resonated with Agency management that was looking for ways to recognize the value of giving FSNs more responsibilities and authority.

Q: Can you give us some context? Had the USAID Paraguay program been in existence for a long period of time, or had it recently surfaced or resurfaced? What can you tell us about that?

NILSESTUEN: Against the backdrop of World War II, American development assistance to Paraguay began in 1942 with the creation of "servicios", technical assistance teams embedded in the ministries of agriculture, health and education. These services reported to the Institute of Inter-American Affairs (IICA), the precursor of USAID. Assistance programs continued through the 1950s and were subsumed when USAID was created by President Kennedy in 1961. The FSN staff urged me to organize a celebration of 60 years of bilateral development assistance. I was dubious, fearing that it would distract us from more pressing matters. In 1988 the Mission had published "AID History in Paraguay". From that, the staff updated documented additional assistance and the mission issued it as an unofficial report. This proved to be very useful.

We planned to organize a public event marking the long history of USG development assistance and invited the LAC Deputy Assistant Administrator (DA/LAC), Adolfo Franco, to highlight the event. The Vice-President, Luis Alberto Castiglioni also high-lighted the event and spoke warmly of American assistance, tracing the service of a Peace Corps Volunteer teacher in his village when he was a youth, to the multiple examples of USG financed cooperation and assistance he had seen over the years. The event and its press coverage burnished the Mission's reputation and charmed the DA Franco. He became a supporter of USAID/Paraguay's program. The Mission was no longer off the bureau's "radar screen".

In the 1990s, the Mission's staff and budget shrank and LAC considered "graduating" the program as they had done in several other LAC countries. In 1989 President Alfredo Stroessner had been overthrown after 35 years of dictatorial rule. In the years that followed, the Mission's staff and budget shrank and LAC considered it a candidate for "graduation" and closing. In 1996 President Wasmosy asked Army Commander Lino Oviedo to step down. He was arrested, incarcerated and then later reentered politics. Against this backdrop of political instability, Administrator Brian Atwood, came to Paraguay and announced that USAID would maintain its mission and prioritized democracy and governance assistance. That remained the Mission's priority.

Corruption was endemic in public sector institutions and a core development challenge. The Mission focused on reforms in the judicial sector to address corruption. USAID supported a project to reform the system for selecting judges, prosecutors and public defenders. Technical assistance was provided to test applicants, publicize test results and monitor appointments to ensure only qualified candidates were offered positions. This system helped to raise the qualifications of those selected to serve as judges and other positions. We also helped to develop a code of ethics for judges that applied to judges at all levels, including the Supreme Court and a mechanism to implement that code. Over time many Supreme Court judges have been censured for violating the code of ethics. These ethics prohibited judges from political party affiliations and over the years more than 700 judges suspended their party affiliation. The mission also took a bottom-up approach, engaging civil society to denounce corruption. A grant with a respected Paraguayan NGO supported work of many small NGOs to monitor and ferret out corruption and misuse of public funds

The Mission's municipal finance program promoted good governance, citizen participation and democratic practices in participating municipalities. Municipalities were largely dependent on revenues distributed by the national government. Resource allocations were never adequate and often politicized. A little used law enabled municipalities to tax urban property at a very modest rate but was seldom applied. The project trained municipal tax authorities to use municipal maps to locate properties, do appraisals, and enter the information in a computer-based system for tracking and management. The project also worked on the demand side, helping the municipal government to host open public meetings to report on revenue collected and propose projects with budgets to be financed with these new resources. They often produced

lively exchanges, with people demanding road improvements, bridges or other small scale infrastructure projects. This grassroots democratic engagement offered a healthy counterpoint to Paraguay's long authoritarian and corrupt governance.

Trash collection and management had been widely neglected in most municipalities. The national government organized a contest for the cleanest municipality in Paraguay. The municipality that won the contest took great pride in winning and put up a big sign at the city, bragging about being the cleanest city in the country. The competition stimulated competition and resulted in a number of municipalities investing in improved trash and dump management.

In Asuncion the problem was of a different magnitude. Rag pickers, mothers and their children scoured the city dump every day looking for cardboard, aluminum cans and anything that had a resale value. The Mission worked with a small NGO that provided daycare for the small children while mother scavenged the dump. The project also connected buyers to sellers at the dump. Organized by type of material and in sufficient quantity, businesses would make purchases and truck the purchases away. The NGO managed the distribution of the earnings. The InterAmerican Development Bank took an interest in the project and used a special facility of its program to continue support.

With a modest budget, the Mission supported an innovative health program that provided underserved rural communities with access to medical supplies and advice.

Paraguay's hospitals were only located in secondary and large cities. USAID's health served rural communities by working with rural pharmacies that were often staffed by volunteers. They were the source of the most commonly needed medicine and also offered contraceptives and family planning services. These pharmacies were self-sufficient, meeting their operational costs with income generated with their sales. These rural clinics, in conjunction with various health posts and clinics, turned into an extensive network, providing access to those kinds of services in areas previously unserved. Our commitment to offering family planning services, including contraceptives, was not popular with the Catholic Church which spoke out forcefully against contraception. Nevertheless, we stayed the course. The IDB took an interest in doing a large health sector program. We believed that their program of subsidized health care would undercut the financial viability of the rural community-based pharmacy system that we had helped to build. When we were unable to persuade the IDB to address our concerns, I took our case to the US executive director of the IDB in Washington. The IDB acknowledged our point and made some concessions.

USAID/Paraguay had no agricultural program when I arrived in 2002. In a country with a predominantly agrarian economy outside the Asuncion metro area, I concluded that an agriculture project could address a real need and opportunity. But the mission's budget left little room for a new initiative. I persuaded LAC to give the Mission \$600,000 to finance the first year of a new project. I invited a colleague who was managing an innovative and successful project in Peru to do a short-term consultancy and suggest project options. Based on the model in Peru, he designed a project that focused on creating employment and exports. Its methodology was to identify businesses, big or small, with the potential for growth and an interest in reaching export markets.

The project was named Paraguay Vende (Paraguay Sells). The name was intended to convey the message that it was about boosting businesses' sales. The project was not really a traditional agriculture project, working with small farmers per se to increase their income. Rather, it focused on job creation and exports as a vehicle to achieve that. Those were the metrics for measuring success. As a result, the project worked in meat production, forestry, sesame and fresh fruit juice production for the domestic market, and much more. The project was very impactful in areas where it worked. When funding became increasingly tight the Japanese cooperation stepped in, picking up the project and funding it.

The Mission also had environmental projects with large American NGOs registered to operate in Paraguay. The World Wildlife Foundation (WWF) was a voice for environmental concerns and provided a forum for local environmental NGOs to advocate on national and regional policies with the GOP. The Nature Conservancy wanted to negotiate a debt-for-nature swap, a program in which the USG would write off debt owed by the GOP in return for TNC committing to carrying out a negotiated project. The project focused on protecting the remnants of the Interior Atlantic Forest, an eco-system that had covered much of eastern Paraguay and had been destroyed by large-scale soybean production. The agreement provided around \$10 of debt relief and protected an eco-system that supported wildlife, trees and plants, some of which thrived only in this ecosystem.

Q: So that was the bilateral program per se.

NILSESTUEN: Paraguay qualified for a Millennium Challenge Threshold program shortly after the Millennium Challenge Corporation was established in 2004. Countries were scored based on their recent development in three broad categories: democratic governance, economic freedom and investing in people. Among low-income countries, Paraguay scored well except on corruption. Transparency International ranked Paraguay as among the most corrupt countries in Latin America. With these scores, it qualified for a threshold program. If Paraguay could design, execute and successfully reduce corruption with its two-year threshold program, it could qualify for a much larger and more ambitious MCC development program.

Q: You also managed the Millennium Challenge account or was it managed by another entity or person?

NILSESTUEN: The GOP designated Mr. Walde, from the Office of the President, to guide and manage the threshold program. But the MCC had not yet laid out the precepts or design guidance for the threshold program so they delegated that responsibility to USAID for the first year of the program. USAID convened a meeting in Paris of all the mission directors or key staff who would be involved in designing the threshold program in their country. The purpose of the meeting was to talk through the general principles, field questions and offer guidance. I was invited to Paris because most of the threshold programs were in Africa and Paris was the most "central" location. MCC had no

capability to either design or manage threshold programs so it delegated that responsibility to USAID and its field missions.

Upon my return we established a working arrangement with Mr. Walde. He understood the institutional weakness that permitted bribery, smuggling, regulatory and tax evasion and more. But he worked without staff so it fell to the Mission to design the program in consultation with Mr. Walde. The goal of the program was to reduce corruption. Dramatic improvements would be necessary to successfully graduate in two years and qualify for a Millennium Challenge Program that typically spanned 5 years and provided tens if not hundreds of millions of dollars of grant financing for large national projects intended to support more robust growth. Paraguay's threshold program focused on improving public sector accountability and transparency.

Working with Mr. Walde, the mission staff developed a program that included customs administration reform, central bank management, tax compliance, judicial sector reforms and more. The ambitious program included 10 separate components in total. It was ambitious but responsive to the Government's interests. We submitted the program to MCC headquarters in Washington where it was approved as proposed. The budget was approved for \$36 million, including about \$2 million for administrative costs. The MCC program more than tripled the mission's budget on top of the mission's regular program budget! And it nearly doubled the size of the staff. Paraguay's Threshold Program agreement was negotiated and signed just before I departed for home leave and an onward assignment to Guatemala.

Q: Wow.

X. GUATEMALA

2006 - 2010

Q: Today is Friday, February 16th, 2024, and we will focus on Wayne's assignment to Guatemala. Welcome. Can you give us the dates?

NILSESTUEN: Yes, August 2006 to July 2010.

Q: Okay, thank you.

NILSESTUEN: Guatemala was a large mission with both a bilateral and a regional program. It had a large staff and some extremely able American and Guatemalan staff who enjoyed remarkable respect, access with key government counterparts and credibility with the international donor community. When the Peace Accords ending the "37- year conflict" were signed in 1996, Guatemala had received large increases in its budget to support the accords. But when I arrived, the mission's bilateral budget was about \$47 million and on a downward trajectory. LAC was no longer funding the "peace dividend". LAC was also expanding the regional role of USAID/El Salvador threatening to make the mission dependent on USAID/El Salvador for procurement and other services. These changes created an undercurrent of resentment and anxiety of what the future held for the mission and for the staff.

I was slightly intimidated by the mission's size, program diversity, its standing with the Government of Guatemala (GOG), its partnership with NGOs and its relations with the donor community. But I had the good fortune of having Todd Amani as my deputy. I had previously worked with him in Honduras. He had arrived in Guatemala 5 years earlier and served as the Director of the Democracy and Governance Office and was then moved up to serve as the Deputy Mission Director. He built a management system that fostered teamwork and addressed conflict and prioritized program relevance. He was an astute judge of people's competence and capabilities and provided me with valuable reads on interpersonal relations that were helpful in taking management decisions. He was a trusted coach when I arrived. Todd was regarded as a rising star in the Agency and towards the end of my first year at post, he was assigned to serve as Mission Director in Mozambique.

Although I asked various office directors to serve intermittently as Deputy Director, I needed a deputy. With no potential candidates on the horizon, I took the initiative and asked Rose Rakas if she would be interested. She responded without hesitation. We had worked together in Bolivia where she was the Regional Legal Advisor (RLA) and was now the RLA in El Salvador. Rose's skill set complemented mine. Her knowledge of agency policy and guidance, operational procedures, contracting matters and personnel management were invaluable in working through issues. She also had strong analytical skills and was articulate and persuasive, communicating in writing or in person.

Rose played an important role in navigating the transfer of the Mission's contracting authority to El Salvador. This shift not only made procurement functions more time consuming and slowed the process, impacting projects, but also bruised egos. Rose knew the players in El Salvador, managed our dialogue with them and helped manage mission morale around the impact of these changes.

As mission director I represented the mission and its programs with the government, with ministers, counterparts, partners, NGOs and the donor community. The European donors were very committed to the United Nations' Sustainable Development Goals. They had created a structure for donor coordination around specific goals including health, education, the environment and others. Due to USAID's long and deep involvement in these and other sectors, our funding levels and our relation with GOG ministries and agencies, USAID's participation was deemed essential.

Some of the European donors collaborated to jointly fund projects or agree on goals and measures that could be aggregated across multiple donors. This was their preferred mode of programming assistance. This level of collaboration was not possible for us but I was committed to working with them in areas of shared program interest. This collaboration not only helped to advance shared objectives but also identified areas where we were working at cross purposes. The chair of the donor coordination rotated, and I agreed to serve for a 6-month rotation. Our work with the donor community served our interest with various counterparts in the GOG.

I first served under Ambassador Durham for a year until he retired. I met with him weekly. When I arrived, he always had his list of questions and issues that he wanted to talk with me about. Frequently he kept that list to follow up on the next week. After he'd gone over his list, there was space for me to raise issues or ask questions. It was very top-down but not problematic. In my final meeting with him, he asked if I thought he was a good manager. The question took me by surprise. I guess it was a moment of reflection.

Ambassador McFarland who succeeded Ambassador Durham was extremely supportive of USAID's programs. He looked to me to take more initiative in briefing him on the issues that I believed were important for him or the embassy to be aware of or where things stood with the Government on various programs. It was a very constructive relationship in which, when there were issues that he considered of national significance and political importance, he personally engaged. When there was a severe drought in the Corridor Seco (Dry Corridor), an area that stretches along the border with Honduras, he asked me to organize a field trip. The drought had been receiving extensive press coverage but the Government had taken little effective action. The press accompanied us, generating more attention and pressure on the Government to respond. The photos of infants suffering acute malnutrition helped to galvanize support from USAID/Washington, not only in the moment but to address the long standing, widespread presence of chronic malnutrition. The Mission's Food for Peace FSN was instrumental in crafting and managing the Mission's response to the immediate crisis and to laying the groundwork for a study to determine the underlying causes of malnutrition. The Mission mobilized experienced food-aid NGOs to work in the Corridor Seco, requiring them to make significant commitments of their own resources.

David Lindwall, was the best Deputy Chief of Mission, (DCM) I worked with over the course of my career. He was raised in Guatemala, the son of a missionary family that was posted near Lake Atitlán. In a fairly granular way, he was extremely knowledgeable about Guatemala's history, geography, rural life, politics, the back story on government officials and the history of political alliances and intrigue. Unlike some of DCMs I worked with, I found David's views and advice to be helpful, providing me with useful insights and a perspective I knew would be in sync with the Ambassador's interests. Occasionally we went out to lunch, occasions that were both informative and relationship-building.

Q: What kind of interests did he take in the AID program?

NILSESTUEN: For example, the year before I arrived, Tropical Storm Stan had struck the country. It killed 650 people, destroyed 35,000 homes, displaced 500,000 people and destroyed hundreds of miles of mountain roads and bridges, isolating villages. One area suffering extensive damage was around Lake Atitlán where he had grown up. He was very interested in knowing what USAID was doing and could do to address the extensive damage to infrastructure and people's lives. He suggested that we take a field trip to the lake. There he saw what Stan had done to his old family's house. It provided him with a personal perspective on the damage we witnessed. Mudslides tore out crops, houses, roads, and peoples' lives. His interest helped to galvanize our support for the victims of

Stan. While the Mission had provided post-Stan assistance, we did not have the management capacity to expand and extend our assistance. Instead, we provided funding to the United Nations to finance resettlement for communities who had lost everything. Their homes had been carried away in mud slides. Roads also had to be rebuilt in challenging mountain terrain and bridges repaired or replaced. Our UN partner complied with our need to visibly credit USAID with signage “Assistance from the American People” and USAID’s logo at resettlement sites. This collaboration responded to some of the most pressing needs caused by Stan more than a year after it had struck on October 1, 2005.

Q: So that was quite special.

NILSESTUEN: It was indeed. So having set the stage with the embassy and the front office and those relationships, let me turn to the mission staff. There too I had the good fortune of having some incredibly talented foreign service officers who had deep history and knowledge of the country. Julia Richards had come to Guatemala to do her undergraduate research and stayed on to do her dissertation field work in Guatemala in education. For years she worked on USAID funded contracts until USAID hired her as a Foreign Service Officer to head up the education office. When I arrived, she was the Director of the combined Education and Health Office. She had incredible connections with people in the Ministry of Education and great credibility with the donor community which made her invaluable in coordinating and harmonizing donors’ priorities in engaging the Ministry of Education.

Q: After the peace accords were signed, I came in under contract to work on the strategy in education and Julia and I had the opportunity to work together. She brought me in later on in the consultancy after I retired. Yes, everything you say about her and more is correct.

NILSESTUEN: I also had the good fortune to recruit Todd Sloan to serve as the Director of the Democracy and Governance office. Todd had been a Peace Corps volunteer in Guatemala in the 70s and had seen the impact of the army’s brutal repression of indigenous communities where people were killed or at risk of just “disappearing”. The friends he had made over the years were now in senior positions in the public ministry including the Attorney General. With the perspective of his lived experience and key contacts in the judicial system, he provided invaluable leadership in shaping and managing the Missions DG portfolio. The Ambassador also valued Todd’s understanding of sensitive political issues.

We also had extremely knowledgeable and effective FSNs. In the health sector, Baudillio’s long history working in the sector and his extensive network among both public and private sector figures made him invaluable as both a manager and advisor. The Mission also hired a highly qualified Guatemalan to strengthen our education staff. He quickly established his bona fides with the World Bank, enabling the Mission to collaborate on sector reform.

Q: So may I please, before you turn to the portfolio, ask that you give us a context. What was happening in Guatemala then politically in terms of the issues that later on came with drugs and gangs, and anything else that would help set the stage as well as with donors, et cetera.

National elections were held in 2007. As was normally the case, there was a second-round election for the presidency and vice presidency, with the 2 parties receiving the highest percentage of votes contending. President Berger's government had pushed to expand voting to rural areas where voting places were not easily accessible. USAID supported this initiative for the purpose of increasing participation. Distant voting places depressed access, especially for women who stayed home to take care of the children while their husband went to vote. USAID also helped to organize and support international election observers, and more importantly, the network of NGOs and others who served as election observers. Alvaro Colom, UNE center-left candidate won with almost 53% of the vote, although UNE captured less than half of the seats in Congress. Otto Perez, more closely aligned with the traditional economic elite, won 47% of the vote.

Moving on to the broader context, gang violence was increasing, not just in Guatemala City, but in secondary cities and even in more rural settings. The Mexican drug cartels were moving deeper into Guatemala and extending their influence and control of public institutions, bribing corrupt politicians and threatening honest ones. Although the 37-year conflict had ended, there were skeletons in the elite families' closets. The business elite continued to dominate the political landscape and irrespective of party or promises, kept taxes so low that there were never resources to meaningfully address the social needs and create opportunities for the indigenous and rural poor. Investments in infrastructure development and maintenance, health, education and social programs were insufficient to meaningfully change the development trajectory of the country. There was no stability in political party structure. Alliances formed to run for the national races lasted only as long as they served. Elections were personality based in the absence of parties with clearly identified ideology and a loyal voting base.

There were never enough resources to fund the kind of infrastructure development, maintenance, social programs, etc., that were required to support Guatemala's level of development. Consequently, there was no stable political commitment to programs, policies and objectives, particularly in the social sectors of education and health. As a result, AID prioritized public-private partnerships to mobilize private funds to support projects that served indigenous communities and the rural poor. Parts of the elite who opposed higher taxes were willing to support health projects targeting young children and their mothers. These partnerships were certainly important and helpful at the margin, but nevertheless, it was difficult to mobilize the kind of resources needed to support a process of real transformation.

Moving to the portfolio, I will start with the agriculture sector. The Mission had made investments creating legacy institutions and partnerships, presenting opportunities to make modest investments and realize significant benefits in the near term. The Mission

had supported the cooperative, Las Palmas, in its early days. It became the foundation of the non-traditional agriculture export sector, buying carrots, peas, broccoli, cauliflower and other vegetables from small farmers, processing, packing and shipping them to brokers in the US who supplied the American winter market when there wasn't domestic production.

The cooperative served very small farmers, providing them with an income stream well above what they could make from their traditional crops of corn and beans, although many of them continued to dedicate part of their small parcel of land to corn and beans as a way of reducing the risk associated with crop failure or the collapse of demand in US markets. Families and communities served by Los Pinos who participated in the non-traditional agriculture export sector thrived, but scaling up depended on geographic access to Los Pinos processing facilities. To extend its reach, Los Pinos opened more remote buying sheds, limited by the impact of time and bruising transport over poorly maintained country roads. This project was a development and political success. On more than one occasion we took senior LAC managers or congressional delegations to Los Pinos, enabling the co-operative to tell their story and demonstrate the success of development assistance.

Another legacy program was with ANACAFE, the national association of coffee farmers. The lowlands, suited to sugar cane and other cash crops were colonized and occupied by European settlement, pushing the indigenous population to less desirable, higher elevations. For many indigenous families living on the slopes of Guatemala's numerous volcanoes, coffee cultivation became their principal source of income. Thus, over the years the Mission worked with ANACAFE to advance its goal of benefiting the poor and especially indigenous communities. Coffee plays an important role in the country's economy. It is the principal export earner and an important source of employment. Coffee harvest is twice and sometimes three times a year, all of it done by hand, employing thousands of men, women and children who typically are taken out of school and move from place to place during the harvest. These are among the poorest of the poor and depend on this seasonal employment for survival. When a coffee rust threatened production, USAID had provided technical assistance to develop cultural practices to control the spread of the blight. Guatemala enjoyed an international reputation for its high-quality coffee. With USAID support, ANACAFE developed a marketing strategy linking coffee to the location of production. Different soils, elevation, coffee varieties, etc. produced distinctive flavors associated with where they were produced.

ANACAFE developed a marketing system that identified coffee by where it was produced, just like the French domain system. You can only market as champagne, that which is produced in the champagne region in France. ANACAFE's marketing regulations labeled coffee sourced from premium production areas like Antigua and Huehuetenago, earning participating farmers premium prices. Trading on Guatemala's coffee reputation, Starbucks committed to buying specified quantities of coffee at specified prices. While this arrangement tended to stabilize coffee prices, it didn't require USAID's participation.

The Mission did enter into a public-private partnership with Walmart. The Mission negotiated an agreement with Walmart enabling them to source cool weather vegetables like cauliflower and berry crops like strawberries for their stores in Guatemala and their marketing chain elsewhere in Central America. USAID committed \$1.1 million, Mercy Corps \$500,000 and Walmart \$600,000. While the partnership did help small farmers meet Walmart's quality and quantity standards and provided them with a stable market at predictable prices, it was a sweet deal for Walmart. In retrospect, it seemed that Walmart might have provided funding more proportional to their benefits. But private-partnerships were an agency priority and the partnership demonstrated that the mission was on board.

When I arrived, the focus in the education sector was on primary education. The Mission was working with the Ministry of Education on primary teacher training and certification requirements. We were also working on teacher accountability. Many primary school teachers did not live in the community where they taught. Absenteeism was a major problem. Many teachers went home on Friday and returned on Monday, teaching only 3 or 4 days a week. Compounding the problem of primary education was that many teachers had received little if any teacher training and there were no clear standards. With Julia's leadership we delicately advanced a proposed reform to establish a teacher training curriculum and require all new teachers to pass the exam to qualify for a teaching certificate. Both of these reforms faced strong opposition from the politically powerful teachers' union. Supporting these reforms required finesse, a feeling for the politics of the issues and maintaining the confidence and support of the Minister of Education. Thanks to Julia, our support for these reforms were critical to the Minister staying the course.

The Mission's program in the health sector addressed maternal and infant wellbeing, family planning services, safe sex programs for sex workers and managing a regional PEPFAR program (President's Emergency Plan for AIDS Relief). The rural poor suffered very high rates of chronic malnutrition posing elevated risks for pregnant and lactating mothers and their infant children. The Mission supported a public-private partnership that set up agreements with NGOs to serve rural clinics delivering health services. The private sector provided not only funding but promoted the importance of health care in underserved areas. Pregnant and lactating mothers with infants and small children were encouraged to visit rural clinics on a regular basis to weigh and monitor the children's growth and track women's pregnancy. As an incentive to participate in the program, they received PL480 food, including infant feeding formula. The program also supported safe deliveries, by anticipating possible complications and planning for emergency transport to a hospital for obstetrics care if necessary.

The Mission's health program also supported family planning services and the distribution of condoms. The Safe Sex Program for sex workers makes available free condoms and promotes self-esteem and community safety. It sought to serve those who were at greatest risk, physically or from HIV AIDS.

The Mission managed a regional PEPFAR that provided technical assistance to other USAID Missions in Central America with PEPFAR programs. The Center for Disease Control and Prevention (CDC) had an office in Guatemala City and a similar mandate to

support HIV/AIDS programs funded and managed by USAID mission in Central America. This duplication of program mandates produced some institutional friction between the Mission and CDC/Guatemala but CDC had more institutional stature and clout in Washington. In the end we worked out a productive relationship without forcing the Ambassador to choose sides.

Guatemala faced debilitating corruption of its public institutions – the judiciary, congress and ministries and rising gang violence, exacerbated by the money and power of Mexican drug cartels. The mission provided technical assistance and material support to strengthen the Public Ministry's capacity to prosecute cases. The creation of CICIG in 2007 dramatically increased the state's capacity to confront corruption. In response to pressure from civil society following the end of the 37-year conflict, the United Nations agreed to support an ambitious anti-corruption program based on a successful program in Colombia. The GOG negotiated an agreement with the UN to establish the Comisión Internacional Contra la Impunidad en Guatemala (CICIG). CICIG was invested with the authority to assist the Public Ministry in prosecuting corruption cases. USAID's assistance to the Public Ministry was complementary to CICIG's functions.

Todd Sloan, DG Office Director, managed our assistance to the Public Ministry and enjoyed the confidence of the Attorney General. Todd's insights and perspective on the challenges and progress that CICIG made were very helpful to the Ambassador in "managing Washington" and dealing with the international community. The Ambassador frequently called on Todd for updates and insights on CICIG's agenda and progress. To put CICIG in perspective, over its 15 years, CICIG was aggressive in investigating and charging presidents, vice presidents, ministers, members of congress and contributing to the discharge of hundreds of corrupt police officers.

The weak state and a corruptible political class made Guatemala an attractive transit route for cocaine shipments from South America. It contributed to growing drug consumption and gang violence in the capital and in secondary cities. Gang violence plagued the poorest parts of the city. Young boys, 10, 11 or even younger would drop out of school and hang out on the street where they were recruited by gangs, coercively or lured by the attraction of trafficking and easy money. The mission supported a program to address this scourge in some of the toughest neighborhoods. With our support, a Youth-At-Risk project managed by an NGO, worked with community leaders and churches to offer safe after-school programs as an alternative to hanging out on the street. Churches and some businesses offered safe spaces where vulnerable kids could hang out with friends, play games, listen to music, watch TV or receive homework tutoring. Once kids joined gangs, they were trapped by the threat of violence if they dropped out. The only safe exit recognized by the gangs was joining a church

Our routine reporting to Washington on our programs addressing gang violence resonated on the Hill. There was concern about the linkages between Mexican drug cartels, violence and the desperation that drove migration to the US. Tim Reiser, Senator Leahy's Chief of Staff, announced he was coming down to see firsthand the programs and their plausible impact. Reiser was very influential in shaping USAID's earmarks and budget

allocations. He specifically wanted to see what the Mission was doing to address gang violence in rural areas and secondary cities. He arrived skeptical, believing many USAID Missions' reporting was based on contractors' reports. Todd Sloan accompanied Reiser to the field and impressed him with his knowledge of rural Guatemala and his unvarnished view of the project's strengths and limitations. Reiser was convinced and returned to the Hill to continue to support USAID's work on gangs.

Shortly before I arrived in 2006, Guatemala signed a Debt For Nature Swap authorized by legislation that forgave \$24.4 million of debt owed to the USG in return for conserving tropical forest. Additionally the Nature Conservancy (TNC) and Conservation International (CI) each pledged \$1 million and assumed responsibility for governance and management of the fund. In addition to the NGOs, I and a GOG representative also served on the board. The first task was organizing the governance structure and then setting out the programming process. Local NGOs were invited to submit proposals that were reviewed and approved by the board. The board designated four priority tropical forests - cloud forests, the Maya Biosphere and two other distinct tropical forests eco-zones. The program's conservation areas often faced the threat of farmers, ranchers and others ignoring both laws and Debt For Nature Conservation agreements with local NGOs and communities. By the time I departed, the program was well established, respected by the local environmental community and making progress in achieving its program goals. Prior to my departure the participating NGOs hosted a dinner in recognition of my contribution as the voice of USAID and the Embassy in advancing tropical forest conservation in Guatemala. I felt some pride in this recognition because I felt that I had made a difference.

At the end of my tour in the spring of 2010 I was approaching 65, the age of mandatory retirement for Foreign Service Officers. I was not ready to retire so when the LAC asked if I was interested in an onward assignment to Bolivia as the Mission Director, I said yes. The Bureau had found it difficult to find a senior Foreign Service Officer who was willing to go to Bolivia, given the difficult bilateral relationship with Bolivia that complicated USAID's relationship with the government. LAC offered me a "recall assignment" that would preserve my rank, pay, benefits and status uninterrupted, but I would have to formally retire so that I could be recalled. I filed my retirement papers with some misgivings, worried that USAID/Washington human resources (HR) might mess it up and I would be in limbo or suddenly retired and unemployed. I did go on home leave and transferred to Bolivia. The recall was seamless and HR processed the paperwork that I received in late 2010.

Our departure from Guatemala was punctuated by a volcanic eruption. Pacaya, located some 20 miles south of Guatemala City, erupted big time and the prevailing winds blanketed the city with 2 or 3 inches of volcanic sand and ash. Like a big snow, the streets had to be cleared, but the wet sand weighed many multiples of snow. Like all the residents in our neighborhood, we were responsible for cleaning up our half of the street in front of our house, putting the sand in sturdy bags that were loaded on big, flatbed trucks and hauled away. It was a momentous task for everyone.

Of course, the Mission organized a big despedida (farewell) party and it was a time to remember the funny stories as well as the battles and challenges that the Mission had navigated over the last 4 years. The staff made me feel incredibly appreciated and appreciative of their talents, commitments and contributions to Guatemala's development.

Prior to our departure, I was honored by the Government of Guatemala in the Changing of the Rose ceremony conducted by the Secretary of Peace and held at the Guatemalan National Palace of Culture. A white rose was placed on the peace monument representing the renewed commitment to peace, unity and reconciliation following the peace accords that ended the brutal 37-year civil war in 1996. This solemn ceremony honored me with the designation of "Ambassador of Peace." But it really honored the contributions the staff had made to improving access to health and education, responding to the disastrous consequences of drought and tropical storms, and to improving the welfare of the rural poor.

My remarks gave me the opportunity to recognize the many contributions of the staff to finding solutions across the broad spectrum of the mission's program. In another ceremony that same day I was honored with the Order of the Quetzal, the highest civilian honor the GOG confers for contributions to the country. While the honor is conferred in the name of the President, I am certain that the Ambassador had made the recommendation. I was deeply appreciative of the honor while recognizing that it was the Mission that was being recognized and appreciated by the presidency. Finally, capping off the shower of recognition, Joni and I were invited to a private dinner party with President Colom, his wife and several of his senior advisors. I was stunned. Of course Ambassador McFarland attended the dinner. At the end of the dinner, I was presented with 2 paintings and a bottle of some of Guatemala's finest rum. It was a nice personal touch.

I left Guatemala with great affection and humility, knowing that these honors reflected the incredible role that my staff had played in contributing to the wellbeing of Guatemala's institutions and their service to the indigenous and rural poor.

Q: Okay. Again, Wow!

XI. BOLIVIA AGAIN

2010 – 2013

Q: Today is Wednesday, March 6, 2024, and continuing with Wayne's fascinating story about his career in AID. We had left him leaving Guatemala, having been invited to the home of the president for his farewell dinner. And we're now seeing him go back to Bolivia. So please tell us more about your time in Bolivia.

NILSESTUEN: Returning to Bolivia turned out to be the most challenging posting of my career. The challenges were multiple – the Mission's relationship with the GOB, with other donors, with USAID/Washington, the Mission's budget and staffing and navigating the Alternative Development program in the face of the government's ambivalent

counternarcotics policies. These challenges were balanced against the advantages of returning to a post where many of the staff knew me and were relieved to have a mission director who knew and believed in them after lacking continuity in senior leadership for some time. My knowledge of the antecedents of the mission's program, Bolivia's geography and history and especially the good fortune to move back into the very house where we had lived for 3 years were invaluable in settling in and facing these challenges from the start.

The bilateral relationship was complicated. Ambassador Goldberg had been asked to leave in 2008 and was replaced with a Chargé. Evo Morales had won a recall vote in 2008 and was reelected President in 2009. A constitutional amendment required only a 40% plurality to win. Morales was widely popular among the highland Aymara and Quechua, and many urban voters in La Paz decided it was time to give an indigenous leader a chance. Evo Morales was deeply suspicious of the US, grounded in his struggle with US supported forced eradication of coca in the Chapare region. Once elected, he ejected all US supported counternarcotic programs in the Chapare. His embrace of coca as part of Bolivia's sacred culture, his socialist party and his alliance with Venezuela, Cuba and Nicaragua all challenged Washington's priorities of containing antidemocratic regimes in the hemisphere and restraining coca production and cocaine trafficking. These competing national priorities eroded Washington's support for USAID. The Mission's program budget fell from over \$60 million to \$54 million to \$24 million over the course of 3 budget years.

When I arrived, the mission had a rather tenuous relationship with the government. The issue of the moment was that they had seized an office and supplies of an environmental project in Santa Cruz supported by USAID and the mission was moving carefully before resorting to legal recourse. USAID regulations required us to take action to reclaim the property. The Charge' favored diplomatic channels. The mission was unable to recover the project materials and we closed the project.

Evo was very suspicious of USAID and frequently accused the Mission of stirring up trouble and meddling in Bolivia's internal affairs. He encouraged the highland Aymara and Quechua to migrate to the lightly populated lowlands in search of better opportunities. This migration put them in direct conflict with lowland groups. Our environment program provided support for a lowland indigenous federation to protect their lands which lay in a national rain forest reserve that was protected by law. This inter-ethnic group competition was aggravated by a large and politically important project to build an all-weather national highway right through the reserve's rain forest. The lowland groups protested, obstructed and appealed to the Mission to help them to defend their rights in the forest reserve. Evo blamed USAID for stirring up trouble and the press carried story after story on the conflict.

The chargé wanted to keep the mission and the Embassy out of the conflict. He wanted to preserve space to improve the bilateral relationship. Our relationship with the Minister of Planning offered a promising option. The Minister was USAID's primary counterpart in negotiating our plans and assistance. The Minister had earned her PhD at the University

of Wisconsin where I had done my graduate work earlier. The meetings that the Charge' and I had with her elicited her support but not a commitment. Clearly, she was managing the space she had in navigating the bilateral relationship with the US. At USAID/Washington's urging we opened discussions with the Minister on negotiating a new bilateral agreement defining the scope and terms of USAID's assistance and cooperation. This process stretched out over more than a year but culminated shortly before the end of my tour with a high profile signing ceremony involving the LAC/Deputy Assistant Administrator, the Minister of Planning and me. This was intended to lay the foundation for a more balanced, less contentious, more durable relationship.

Our most challenging program was in Alternative Development. When Evo Morales became President, he wasted no time in ejecting USAID's very large alternative development from the Chapare. Coca continued to be widely grown but under the fiction that the government was controlling it, which was the case the GOB made to the international community. Coca continued to be grown in the Yungas, a steep mountain valley where the Alti Plano (high plateau) gave way dramatically, to lower, broader terrain. The Mission had two partners implementing distinct alternative development programs. One program negotiated assistance with towns or communities to limit farmers' coca cultivation to a small area. Communities asked for projects such as improvements in the town square, repair of a bridge or road, refurbish a school, etc. USAID's implementing partner would procure the materials and hire local community members to carry out the project, thus generating employment and honoring a commitment to the community.

These agreements limiting coca cultivation were monitored by a regional federation of coca growers. Their coca could be legally marketed in a regulated coca market in La Paz, generating a predictable income. The other partner offered farmers to forgo coca cultivation in return for assistance with production and marketing of high value crops. Cacao farmers thrived with assistance, and coffee, vegetable, bananas and other producers participated in the program. Initially, the Vice Minister of Alternative Development was reluctant to meet with me and wanted to inaugurate the community development projects with no mention of USAID's support. For both USAID/Washington's and domestic consumption, it was important to recognize USAID's partnership with communities and our continuing commitment to constructive bilateral engagement. I insisted on participating in inaugurating community projects and was warmly received by the community. Over time the Vice-Minister came to see me as an ally, advocating for resources to extend assistance to more communities.

Another challenge was USAID's standing in the bilateral donor community. Evo Morales constantly complained about USAID meddling in Bolivia's affairs by stirring unrest and protests against the government by working with NGOs and organizations that challenged GOB policies. This fraught relationship was widely and frequently reported in the press. The European donors strongly supported Evo's pro-poor, pro-indigenous policies. They were understandably supportive of his policies redirecting services and

infrastructure to redress the historical injustices that favored urban elites and the middle class.

While I shared their support for progressive reforms, I thought they overlooked the significance of Evo's undemocratic actions. He threatened municipalities, communities and NGOs that were critical or opposed his policies. He had insisted that USAID close its programs working with local government and NGOs, casting their work as a threat to Bolivia's sovereignty and governance. Some donors were outspoken in donor meetings, critical of USAID's policies. In response, I met with the director of the Spanish cooperation and then the director of German cooperation asking about their concerns and responding to their questions. These meetings took the edge off their critiques and produced a more constructive vibe in donor meetings.

Like in Guatemala, the bilateral donors had formalized donor coordination, anchored in the United Nations' Sustainable Development Goals. The European donors were deeply committed to the principles and practices of donor coordination, harmonizing or jointly funding programs and planning and executing assistance under host country leadership. Chair of the donor group rotated every 6 months. In my second year, the donors asked me to chair the donor group and host the monthly meetings. The symbolism of this opportunity resonated with the Charge' and the Mission staff. USAID had the best meeting space and hosting the meeting offered donor leaders an opportunity to return to the building after a long time. We used the opportunity to invite the Minister of Planning to lay out the Government's development plan, answer questions and underscore her priorities. This marked a high point in our standing in the donor community, consolidating our constructive relationship in the bilateral donor community.

Q: Were the other donors having the same challenges?

NILSESTUEN: No, not to the same extent. It was not that they didn't have any problems, but they were different because USAID's problems grew out of the troubled bilateral relationship. President Evo Morales regarded most actions by the US with suspicion, believing that we were meddling in their affairs. As I have noted, Ambassador Greenberg had been asked to leave and that left a wake of problems and perceptions that shadowed USAID's program.

Q: Thank you.

NILSESTUEN: In some ways, managing the relationship with the LAC was more challenging than the relationship with the GOB. Over time our relationship with the Minister of Planning and the Vice-Minister of Alternative Development gradually improved. Our programs in tropical forestry management, small business development, urban pollution and bio-generators for small farmers on the Altiplano all enjoyed strong support from their communities and the project beneficiaries. They also generated positive press about USAID's assistance. But President Evo Morales' anti-American rhetoric and his attacks on USAID eroded support for the Mission's program in LAC and

on the Hill. The Mission's program budget was \$60 when I arrived. It was precipitously cut to \$54 million and then \$28 million.

There was no responsible way to manage these budget cuts. Projects had to be trimmed back and then closed. Commitments to communities and host country partners could not be honored. Contractors and grantees had to terminate staff. The precipitous reduction in the scope and impact of the Mission's programs made them less important to the GOB. Washington's negative reaction had the perverse effect of contributing to the deterioration in the troubled bilateral relationship.

Staffing was another major challenge. In the face of the growing difficulties and uncertainties occasioned by the troubled bilateral relationship, it was difficult to recruit and replace midlevel managers who had better options elsewhere in the agency. To fill this management gap, we recruited a retired program officer, a retired health officer and a very experienced private sector specialist who had extensive experience in Bolivia and elsewhere. We also brought on board the spouse of a State Department embassy officer with extensive experience with USAID. These experienced managers provided stability, sound judgement and counsel that I could rely on. Even as we staffed up with these Personal Service Contractors (PSCs), USAID/Washington asked us to take New Entry Program (NEP) officers to provide them with training and mentoring opportunities as they launched their careers in USAID. Ironically, while LAC was cutting our budget, they pressed us to accept 6 NEPs, 2 in the controllers' office, 2 in the program office, 1 in the EXO management office and 1 in the alternative development and environmental office. Their introduction to work in a field mission was a lesson about managing uncertainty, dealing with the complexities of a troubled bilateral relationship and the wrenching experience of dealing with partners whose budgets were cut and communities who promised assistance could not be honored.

Q: Having been a beneficiary of the reduction in force, is this an agency wide? Or was there a reduction in force in Bolivia?

NILSESTUEN: This was a USAID/Bolivia specific RIF. The dramatic and draconian program budget cuts reduced the scope of the program and the associated management requirements. Faced with no reasonable alternative, the Mission undertook a RIF after consulting with Washington. Rebecca Latorocca, the acting Deputy Mission Director, and Karen d'Aboville, the Regional Legal Advisor, took great pains to shape the process and the management structure in accordance with agency policy, underscoring the importance of transparency in explaining the process and accessibility for staff to ask questions and get questions answered.

Knowing that the impending RIF was having a huge negative impact on morale we held all-staff meetings, explaining that the RIF would be rules based, that the Mission would sponsor help with resumes, counseling and job searches and make others in the donor community aware that highly qualified USAID employees would be on the job market. We also asked supervisors to be supportive of requests for reference checks.

With the shock of the second budget cut to \$28 million we were forced to undertake a second RIF. Simultaneously, the Embassy was downsizing its staff too. I pressed for a commitment that RIFFed staff from USAID and the State Department would compete for vacant State Department positions on a level playing field. On the limited occasions when this occurred, USAID staff were seldom selected. While these measures ameliorated the angst for many, some felt they were being unfairly treated and left the mission, feeling that offered assistance didn't assuage their pain. Contributing to the feeling that the Mission was under siege, the Narcotics Affairs Section (NAS) moved out of USAID's office building to the chancery. With their departure from the building, combined with the wave of departures occasioned by the second RIF, the office suddenly felt even more gloomy.

At this point, the La Paz municipal government said they wanted to take over USAID's office building. The GOB also wanted to take it over. It had been constructed with local currency generated by the sale of PL480 food assistance with an agreement that it would revert to the national government when USAID no longer needed it. We decided to sidestep this inter-governmental competition. Meanwhile, the Charge' urged that we consider moving to the chancery to save money. It wasn't clear that it would help USAID's operating budget and I was sure that it would further depress staff morale. I demurred.

Q: The actual program that we carried out. Can you clarify what you meant? What was the second riff as they were seeing that they needed to further cut?

NILSESTUEN: In the midst of the ever-present complicated bilateral relationship, the draconian budget cuts and the RIFs, the mission continued to support programs that enjoyed strong support among the families, small businesses and communities that benefited from these programs. While complicated, as noted above, the mission continued to support alternative development that aligned with the GOB's goal of reducing the cultivation of coca in the Yungas. The Mission also continued to work with Prosalud, a legacy health program that USAID helped to create in 1985 and was transformed in the early 2000s to make it more self-reliant. With the Mission's support, Prosalud continued to make health services available in its national network of health clinics at affordable costs in the towns and secondary cities they served. Support was also provided for family planning and a range of contraceptive products and condoms. Special programs in sex education for youth were offered in La Paz and elsewhere.

In the environmental sector, in addition to the work I mentioned supporting a federation of indigenous groups to protect a national rain forest reserve, the program addressed urban pollution. Tanneries located in the sprawling city of El Alto discharged their effluents into the city's open sewer system, polluting them with lethal heavy metals. USAID provided technical assistance that demonstrated how the adoption of low-cost tanning technology could recover most of the heavy metals that the tanneries discharged, thus enabling them to recycle the heavy metals, reducing their cost while also reducing their impact on the environment. This also reduced pollution of streams supplying water

to people living downstream. Danish cooperation was impressed with this project and took it over when the Mission no longer had the budget to support it.

On the Altiplano, beyond the sprawl of El Alto, we offered assistance to families, demonstrating biogas generation technology. The technology, popularized in India, involved collecting cow dung and placing it in a sealed container. As the dung broke down it released methane gas which was then captured and stored to use for cooking or for lighting a couple of light bulbs. While the impact seems modest, it made these household “conveniences” available that were out of reach of the rural poor who couldn’t afford bottled gas.

In the lower Amazon Basin, the mission worked with small-scale sawmills to improve their efficiency and reduce the waste they produced, thus increasing their profitability. In the far south near the Argentine border the mission worked with grape farmers. Grape production was thriving, due in part the introduction of more desirable cultivars from Argentina. USAID regulations prohibited support for tobacco and alcoholic products but we could help table grape growers. These small farmers faced the risk of sudden and highly destructive hailstorms that could completely wipe out the annual crop. USAID’s technical assistance demonstrated that the vineyards could be protected with netting that protected the grapes with no adverse effect. The Mission also supported assistance for small farmers in the middle valleys where earlier USAID had financed the construction of small-scale irrigation systems with PL480 resources. Many of these systems were in disrepair. The program financed technical assistance and cement to repair these systems enabling farmers along the water course to again diversify their production into higher value crops over a longer growing season.

Q: That’s the question. So Evo Morales was representing the indigenous population. That’s what brought him to the presidency. And then he ends up running into challenges with that population to accomplish some of his other objectives. Is that correct?

NILSESTUEN: Yes, but his roots were Aymaran.

Q: Oh, okay. Of course.

NILSESTUEN: His political base was the highland ethnic groups, the Aymara and Quechua.

Q: Of course.

I am wrapping up here. I went to Bolivia on a recall assignment because the Agency could not find a senior manager who was willing to accept the assignment. I expected to be there for 4 years. So, it was a surprise to learn that a senior officer had been found and my assignment was being curtailed after 2+ years. Janina Januzelski, Mission Director in the Ukraine, was being assigned. She would arrive after Spanish language training. I departed in February, 2013 just prior to Janina’s arrival.

Less than 3 months later, President Evo Morales, leader of the Movement for Socialism (MAS) party, chose the symbolically significant day, May 1st, International Workers' Day, to announce he was expelling USAID, because of our interference in peasant unions and other social organizations and for USAID's support for indigenous groups opposing road construction through their lands. This decision came after USAID had for 52 years financed a very large, diverse program, underwritten major infrastructure projects and provided technical assistance across some of the most important sectors.

As noted by Lawrence Heilman in his thorough and extensively documented book, "USAID in Bolivia, Partner or Patron", the United States provided more than \$4.6 billion of assistance stretching over more than 70 years spanning and reflecting the policies of administrations from Roosevelt to Obama.

So it was to my enormous relief that this took place after I left. Having served in Bolivia twice, having been through two RIFS in the second tour, having tried to construct a formal agreement, negotiated with the government for an ongoing bilateral relationship, it would have been just too painful to stick around for that. Janina and the staff had a mandate to close the Mission by the end of September. I was certainly saddened by the expulsion and saddened by the impact on the remaining FSNs who now were scrambling for employment. Many saw themselves as tarnished by their reputation of having worked with a donor disparaged by President Morales.

Having presided over 2 wrenching RIFs, I was relieved that I did not have to deal with the final demise of the mission. I had hoped that the new bilateral agreement that we had recently negotiated would serve Bolivia's development plans and priorities and that the Mission would continue to be a valued partner with the communities, NGOs and others. I was especially saddened by the fate of the Mission's FSN staff who had lost not only their jobs but their careers as professionals committed to their country's development.

Q: So, wow, two very different assignments to Bolivia at different times. It'll be interesting to see your reflections. So was the AID program restarted again or has it been closed?

NILSESTUEN: No, it was permanently closed.

Q: Well, fascinating.. I have learned a lot from hearing your stories of when you were there before and now, and I will be very interested in reading Larry's book. I can imagine how frustrating that was for you. So let us stop here.

XII. AFGHANISTAN

2014 – 2015

Q: Today is Wednesday, March 27th. And again, I'm back interviewing Wayne Nilsestuen. Wayne, having retired again, is asked to go to Afghanistan. Wayne, thank you. Join us.

NILSESTUEN: It's a pleasure to continue with you, Marcy. Bill Hammink was the mission director in Kabul. We had served together years ago in the late 80s in Senegal.

One day, Bill called and asked me if I'd be interested in taking an assignment to Afghanistan, specifically to manage the agricultural development office in Kabul. While I was flattered that Bill thought of me, I had real misgivings. I was dubious about the feasibility of doing serious, sustainable development work in the face of the challenges where you are facing a hostile, armed insurgency that is specifically hostile to American assistance. I asked Bill to give me 6 weeks to think about the offer.

My wife and I spent time thinking over this offer. Notwithstanding my reservations, I was attracted by the opportunity to return to my roots, to work in agriculture development. That's where I spent the first half of my career, working in a technical office, and I thought that I'd like to do that again. Second, I wasn't really ready to retire yet. I had retired and then had taken a short-term contract that took me to Nepal, but I wanted to continue to work and this was a very specific offer to return to the agency. Third, I thought that my experience working in Pakistan in the '70s might be relevant to the agriculture development challenges in Afghanistan. Finally, the financial benefits and leave policy were very generous. One earned 5 R&Rs in the course of a one-year assignment. Prior to this assignment, I thought these generous benefits were over the top. After I had served a little while in Kabul I came to understand and appreciate the liberal leave policy. The official work week was five and a half days a week. Typically, I worked 11-hour days, 6-day weeks,

Q: Wayne, what were your living conditions there?

NILSESTUEN: That question was on my mind too as I prepared and packed for the assignment. I heard that staff were assigned to "hooches", a term from the Vietnam era. In Kabul, the quarters were converted 40-foot shipping trailers, divided in two. I thought that living in such cramped quarters would make a challenging assignment even more difficult. But because I would be serving as an office director, I was assigned to my own apartment, which had a full, furnished kitchen, a small dining room and a living room with a nice big window looking into the embassy compound. The apartment was not only comfortable but enabled me to invite colleagues over for drinks and snacks on Thursday evenings, the functional equivalent of Friday on our Islamic work calendar. Preserving a social life was good for morale. It was also conveniently located next to the large dining hall where everyone on the compound ate breakfast and dinner. A separate dining hall located near USAID's offices served lunch. There was also a covered tennis court near my apartment that offered some opportunities to pick up my game and enjoy some comradery.

Q: So this is new to me. It might be to some readers. You were on a compound and all staff were on the compound? Except for those that were out in different areas.

NILSESTUEN: The Obama Administration tried to turn the tide against the insurgency and dramatically increased the funding and the field presence of American Personal Service contractors in many locations around the country to work alongside of US troops in an attempt persuade villagers and farmers to cast their lot with the government and US assistance – military and developmental. By the time I arrived just a few American

USAID staff were posted to the 3 major regional hubs located on secure military bases – Kandahar in the south, Harrat in the West and Mazar e Sharif in the North.

Q: But what about in the city?

NILSESTUEN: In Kabul everyone working for USAID was under the ambassador's authority and lived on the embassy compound.

I started to tell you about coming on board because that was a process. Everyone was mandated to take what was fondly referred to as the crash and bang course out in West Virginia to learn defensive driving and other survival skills. We learned how to deal with a car that the Taliban might use to block the road and force one to stop. Behind the wheel, each of us learned how to hit the car behind the front wheel, spinning it off the road and speed away down the road. We had lessons on triage, learning how to apply a tourniquet above the knee to stop a victim from bleeding to death. There was also a training session on how to recognize when you might be under surveillance and what to do about it. In the year and a half that I was in Afghanistan, I was never in a situation that would require me to use any of these skills. I was never on the streets in Kabul, only on foot in the Embassy compound. I was never in an unprotected area where serious bodily harm was plausible and I certainly was not likely to leap into the front seat to execute a collision to push a car off the road. I seldom left the embassy compound and life there was, as Norma Parker affectionately described it, like living in a minimum-security prison although from the outside it felt more like a maximum-security prison.

Security was a serious, everyday issue. When I left the embassy compound, I was in an armored car with a bodyguard riding "shotgun" in the front seat, preceded and followed by armed security vehicles, watching for motorcyclists who might try to slap a plastic explosive on the back of the car. There was always a swarm of motorcycles in the streets, making it challenging to protect against this kind of threat. I left the compound infrequently to go to meetings with the Minister of Agriculture that was located across town and the route became increasingly dangerous, eventually precluding meetings with the minister. I also met with the World Bank and other members of the international community. Once when we were stalled in heavy traffic trying to enter the Europeans' compound, a car bombing took place near the entrance. We prudently and quickly returned to the Embassy compound.

In addition to the physical isolation, I felt culturally isolated. Unlike other postings, I did not speak the language, and I could not follow local news accounts. I relied on briefings in meetings, coverage by the New York Times and most importantly my Afghan staff's perspective.

USAID's offices were a rabbit warren of old, one-story buildings cobbled together, that grew as the Mission expanded after USAID resumed assistance in 2002 following the US invasion to dismantle al-Qaeda and the Taliban. From a staff of 3 Americans in 2002, the mission grew to a staff of 268 of which 92 were US direct hires. When I arrived in 2014 the staff must have totaled around 200.

As the Director of the Office of Agriculture, I had a staff of 28. Nine of us were Foreign Service Officers or USPSCs, 15 FSNs, and a few were third-country nationals. Our budget was huge. We had an \$800 million pipeline, reflecting the difficulties of project implementation in a challenging security environment, and \$200 million to program in the current fiscal year. Totalling over a billion dollars, it was a staggering amount of money, and difficult to wrap my mind around, having worked at other posts where, at the margin, you are worried about a million or two to keep a project going. The security costs of 40% or more made projects very expensive. Contractors had their own security apparatus, monitoring security day to day and advising their staff when and where it was safe to travel. Those who had posted expatriate staff in regional offices incurred additional costs, although in the time I was there, the contractors brought their expatriate staff back to Kabul.

Let me turn to management challenges because my job, in many ways, was a managerial job in the first instance rather than technical per se. There were plenty of management challenges to deal with. First, there was staff turnover. Foreign Service Officers signed up for a standard one-year assignment. Their incentive was, in part, the promise that they would be given preferential treatment in their bid for an onward assignment. Newly assigned officers typically knew little about Afghanistan, much less about the Mission's recent development history. Consequently, there was constant churning with the turnover of FSOs.

Afghan FSNs also had limited work experience. Many took jobs with the hope that after a couple of years they might qualify for a Special Immigrant Visa (SIV), enabling them and their families to immigrate to the US. The Afghan staff brought valuable perspectives on current events and the donors' or the government's experience in their area of expertise. But they had to learn how to perform their management functions, dealing with USAID's complex business processes and other offices' turgid processing of their documents and requests. Though dedicated and competent, they lacked the long experience with USAID that FSNs in most of the other Missions where I had served embodied.

Q: Can I ask you, when you took this job, did you anticipate it would be primarily managerial?

NILSESTUEN: I thought that the job would be more technical, but upon my arrival it was clear that I would have to focus on management issues. I had been recruited to urgently replace my predecessor's unanticipated early departure. In the gap between my predecessor's departure and my arrival, the Mission transferred a very competent USPSC from another offer to serve as acting office director. I was very fortunate. Steve was a very good manager, quick to cut to the chase and decisive in making decisions. He served as my deputy for most of my tour.

The Mission Director needed led management and effective leadership to navigate a major transition in the Agriculture Office's (AO) program from a high impact, rapidly dispersing program designed to accompany the Obama Administration's surge strategy to

a broad, sustainable development program. To accompany the surge, the Agriculture Office had financed a very large program providing free or nearly free fertilizer to farmers, especially in the south. The program produced the expected results and staple food production surged but was prohibitively expensive to sustain. The office developed and was starting to launch a new overarching strategy to promote growth, food security and employment. The strategy involved designing 4 very large regional programs, for the south, north, west and east, each designed to address the regional needs and opportunities and then contracting for 4 each of these projects. The contracts were won and awarded to Chemonics and DAI, who both had a long history of executing agriculture projects financed by USAID.

Q: So, Wayne, you're bound to be asked this. I assume you weren't supporting the fertilization of poppy fields. How did that enter into your four contracts?

NILSESTUEN: Let me talk about poppies in a little while.

Q: Okay. Thank you.

NILSESTUEN: When I arrived, the project in the south had been awarded and they were trying to move into a startup. The other projects were at different stages of design and procurement. All of them involved working with the procurement office. The staff was incredibly frustrated dealing with the procurement process. Understandably so. They were at post for a one-year tour and they felt like they kept having meetings and nothing happened. They dealt with a relatively junior procurement staff member who they believed was not very competent. I saw addressing this problem as my first test in the eyes of my staff. I asked for a meeting with the director of procurement and sent her a proposed agenda. The Director of the Procurement Office brought her entire staff to the meeting with me and my staff. We reviewed action after action that had been agreed upon, that no action had been taken by the procurement staff member assigned to work with my staff, that multiple times my staff had complied with requests, yet still no progress had been made.

The Procurement Office Director then turned to her staff and asked, what's going on? When her staff didn't have an adequate answer, she removed them from that position on the spot. Thereafter our working relationship with the Procurement Office and my relationship with the Procurement Office Director was on solid footing. Not that all the problems all went away. We're talking about USAID procurement in a difficult and chaotic world, but at least we had managed to sort out one of the fundamental roadblocks to keep things moving along.

Another major portfolio management issue concerned estimated project impact indicators. There had been a lot of pressure to start up implementation of the big regional project in the south that required establishing implementation targets, benchmarks to gauge progress and a detailed reporting system for USAID/Washington. Unprecedented in my experience, the USAID Administrator was very skeptical about the estimated implementation benchmarks for the more than \$100 million regional development project

in the south. Unable to reassure him about the underlying technical basis for the Mission's estimated benchmarks, the Administrator determined that the Administrator's office hereafter would review and approve all projects, Agency-wide, with a life-of-project more than \$20 million. In a single stroke he had dramatically shifted to a centralized decision-making authority, thereby disempowering field missions.

Q: What brought that on? Who was the administrator?

NILSESTUEN: The Administrator was Raj Shah.

Q: And what was his rationale?

NILSESTUEN: He'd come from the Gates Foundation. The Gates Foundation put great stock in estimating and quantifying the impact of their programs, not only the outputs but the larger development impact. I don't think his view recognized the significant limitations in basing estimates on unreliable data that relied on highly variable yield and cropped areas, in a country with very weak crop reporting.

Q: Thank you.

NILSESTUEN: Monitoring and reporting on project implementation created an extraordinary burden on the staff. These requirements grew out of audits conducted by the Special Investigator for Afghan Reconstruction (SIGAR). Congress created SIGAR, giving it very broad investigative powers and required SIGAR to report its findings to Congress. Thus, the stakes were high. USAID/Washington closely followed the Mission's reporting, trying to anticipate "difficult" questions from the Hill that might arise out of the Mission's results reporting.

Reporting on agriculture extension activities conducted in dispersed, remote and insecure areas required developing unconventional monitoring methods. Travel restrictions prevented my staff from observing project implementation in the field and contractors' reports were deemed potentially biased. Therefore we had to rely on third party sources, like the Ministry of Agriculture or other donors who observed instances of implementation firsthand. Every month the staff scrambled, trying to get third party reports to corroborate reporting by the implementing partner. All of this needed to be packaged and sent on to USAID/Washington staff who backstopped our program. This reporting routine was punctuated by periodic visits by SIGAR's staff. The Mission hosted meetings in the spirit of managed hospitality.

At these meetings, we often differed with the conclusions SIGAR presented, or believed their questions were off the mark. We positioned our response to be collaborative and forthright, recognizing that we would never win a disputed conclusion. Despite the time, attention and importance given to results reporting, we tracked relatively trivial results that didn't really tell one whether we were advancing the larger goals of the program. Nevertheless, the reporting satisfied Washington's need to know about progress in implementing a billion-dollar program. In the absence of these extraordinary monitoring

and reporting requirements, we could have managed the program with a smaller staff and allowed the staff to focus on more substantive and consequential matters.

To keep Washington informed about the current status of the agriculture program, we had weekly calls with two Afghanistan & Pakistan Bureau staff members. A recurring topic was security and the impact it was having on project implementation. I seldom left the embassy compound. Initially, I occasionally met the Minister of Agriculture in his office but as time passed it became too dangerous to make the trip.

I did have the opportunity with a couple of my staff, to make “field” visits to our programs utilizing a vintage passenger plane with cushy leather seats and a place for drink glasses. II to Herat in the west near the Iranian border, to a German manned base where we stayed overnight. We were able to visit a dairy and a couple of other businesses that had received loans from the co-managed Agriculture Development Fund. The benefits of the program rippled through the local economy, benefitting farmers who supplied the dairy products and those providing transportation and marketing services.

I also made a trip to Mazar i-Shariff where we stayed on a base maintained by US troops. Security was a little looser in the North and we were able to visit some agriculture extension demonstration plots where cold weather green-house nursery bed techniques enabled early cultivation of high value vegetable crops. Additionally, I made 3 trips to Kandahar in the South where we stayed on the secure US base. On one occasion I accompanied a senior USAID Afghanistan-Pakistan Bureau manager to show him an example of our program rather than just giving him an office briefing. We arranged to take him to a training site just outside of the city to show him the plots where we were training extension workers. To get to the site on a paved road, the army took us out, with a minesweeper preceding us down the road. It was indicative of the prevalence and seriousness of roadside bombs. Later on, due to the Taliban’s threats to USAID-funded assistance, the project trained extension workers in scattered sites round the province avoiding any indications that would link them to our funding.

Security was an ongoing priority on the embassy compound. The compound had been shelled once before I arrived and there was a minor shelling on the edge of the compound during my tour. Security precautionary measures were drilled every week. On Fridays, an announcement was made announcing a security drill, followed by a siren. Everyone was required to don their flak jacket and helmet and shelter under their desk. At the end of the drill, a designated staff member reported the number who sheltered in place and noted if there was anyone unaccounted for. The drill gave the embassy’s bar its name, “Duck and Cover”.

Q: That sounds like when we were in elementary school. We didn't have the flack jackets but we did get them all under our desk, right?

NILSESTUEN: Even our implementing partners were increasingly constrained. There were times when we planned that they would come over and meet with us in our offices on the embassy compound and their security office said, no, I'm sorry, you can't leave our

compound. Some of our implementing partners had security apparatus and protocols that were similar to ours. In such cases we would conduct our meetings on the phone.

Q: Were there video contacts like Zoom or not?

NILSESTUEN: No, there were not. It was voice.

Q: OK, thank you.

NILSESTUEN: Now I would like to address opium poppies and how both the USG's and GOA's policies shaped and impacted our program. Afghanistan accounted for 80 % of the world's heroin production in 2014. Production was concentrated in the southern and eastern provinces. It generated perhaps \$1 billion that circulated widely in the rural economy. Another 2 to 3 billion dollars was captured by war loads, local government officials, drug traffickers, etc. Poppies are very labor intensive. The seed pod below the flower is lanced and the gum that oozes out is scrapped off and collected. A second harvest follows. These harvests demand huge amounts of labor and generate seasonal income for thousands of poor families, many who migrate seasonally to the poppy production areas.

The production of opium from the gum and heroin generates another important income stream that was captured by the Taliban, corrupt police, local government officials and drug traffickers. It was the Government's policy to suppress poppy cultivation and the production of opium and heroin, but the policy was politically very unpopular and sometimes dangerous to enforce. Some local government officials discretely ignored government policy.

There was strong congressional concern about poppies and heroin production in Afghanistan. The Hill wanted to know what USAID's program was doing about poppies. The answer was nothing. Our program was not designed to address poppy cultivation. That was the domain of the INL, the International Narcotics and Law Enforcement Bureau of the State Department. Their strategy was to pay farmers to destroy or not grow poppies which perversely created an incentive to plant poppies next year. But their alternative was forced eradication, similar to the forced eradication policy they pursued with coca in Bolivia. This was deemed too risky as it would strengthen the Taliban's hand and weaken already tenuous support for the Government in poppy production areas.

Given our pipeline of \$800 million and a budget of \$200,000,000 for new projects, we decided that it was prudent to be responsive to Congressional concerns and to determine the feasibility of developing a strategy to reduce poppy cultivation. Extrapolating data from ongoing projects we concluded that pomegranates were potentially more remunerative than poppies. But it took a minimum of 3 years to establish a stand of pomegranates before they would start bearing. This meant subsidizing growers for this 3-year period while encouraging intercropping among the pomegranate saplings. Grape cultivation was well understood and offered another alternative to poppies, although not as attractive if not paired with some other incentive. In another study, we concluded that

areas with substantial production of high value vegetable production linked to local markets created a local economy that shop keepers and villagers preferred to the risks of a poppy based economy, thus discouraging poppy cultivation. There was no time for these options to play out before I left, and my successor didn't continue to support them.

Q: Wayne, I have two questions which you may be planning to address. One is I haven't yet gotten a sense of what your portfolio was, what you were doing and producing. The other is the corruption issue, which of course is a major one.

NILSESTUEN: You are prescient. I was ready to shift to the Office of Agriculture's portfolio. To provide context, Afghanistan was still an agrarian economy where a significant portion of the population was rural and depended on agriculture either directly or indirectly for their income. Wheat was the staple of the diet and was the principal cereal crop. Afghanistan is a food deficit country, importing a substantial portion of its staple grain, wheat. The country's breadbasket in the south is arid and relies almost completely on irrigation. In parts of the north and at higher elevations there is more rainfall and rainfed agriculture is viable. Production is more diversified but variable, dependent on the timing and amount of rain. In this national setting, irrigation was essential to food security. The irrigation infrastructure was badly deteriorated, perhaps only 50% of its peak capacity in the late 1970s.

During the Soviet-Afghan war, 1980 to 1989, the Mujahideen engaged in armed resistance, disappearing after attacking Soviet and Afghan army troops. They frequently hid in irrigation tunnels and the Soviets responded by blowing up the tunnels and destroying the irrigation works. Not only was the country's irrigation physical infrastructure deteriorated but also the associated social infrastructure. Irrigation channels were managed by an association of farmers agreeing to the management of the irrigation channel such that all the farmers along the distribution network got their share of water. With no functioning irrigation system, the social infrastructure also dissolved. I became convinced that rehabilitating Afghanistan's irrigation system offered the best investment to improve Afghanistan's rural economy and food security.

The staff began designing an irrigation project. We met with the World Bank when we learned that they were working with the government to design a major new irrigation program. The Bank's irrigation program manager had years of experience working in numerous countries, including Pakistan, on improving the physical and social infrastructure of irrigation. I was impressed with the Bank's expertise, competence and approach to irrigation. I thought that we could buy into the World Bank's irrigation program, relying on their expertise but giving us a chair at the table in monitoring and reporting on execution and impact. But my staff was strenuously opposed to transferring to the World Bank, the budget we planned for irrigation. They argued that we would lack the capacity to monitor and independently verify implementation progress and program impact. I yielded to their concerns and we proceeded with our project design and then USAID's prescription for soliciting contractor proposals for irrigation works. This design and procurement methodology phase dragged on while the Mission's budget fell. In the end we lost around \$100 million that we had budgeted for irrigation. The Mission

retained some resources for irrigation and proceeded with a scaled down project. The Deputy Mission Director sided with the staff but I regretted that I had not made my case directly to the Mission Director. This would have given him a chance to weigh the pros and cons of working with the World Bank vs taking on irrigation ourselves.

In rural finance, USAID helped to create the Agriculture Development Fund (ADF), capitalizing it with more than \$100 million. The ADF lent to agribusinesses following Islamic banking principles. Charging interest was prohibited, but ADF could charge service fees, transaction costs and other costs that were acceptable under Islamic banking. On a trip to Herat in the west I had a chance to visit an ADF client. It was a creamery that bought milk from hundreds of small farmers and produced yogurt and cheese. This produced a supply chain that included the farmers, those who transported the milk to the creamery, those who worked at the creamery and those who marketed the products. Thus, a loan to a single agribusiness had a significant ripple effect in the local economy. This model of lending to agribusinesses with potential to grow was replicated in various regions. ADF was co-managed by the Ministry of Agriculture and USAID, requiring me to meet occasionally with the ADF board and the Minister. ADF faced 2 major challenges. First, to make the bank financially self-sustaining. Repayment rates were good but as in all banking there were loans that had to be written off. I advocated for supplemental funding to make ADF sustainable over the long term.

The other challenge was to preserve the independence and autonomy of ADF and resist efforts by the GOA to take it over. The track record in Developing Countries of state-owned agriculture banks is dismal. The state bows to political pressure, provides loans generously, and fails to collect repayments. I had a running debate with the Deputy Mission Director to whom I reported. He argued that ADF would fail and that we should cut our losses. I countered, noting that our \$800 million portfolio had large projects that were just starting up and ADF was one of the few projects that reliably generated significant benefits. After I left, the Government took over the ADF and it collapsed shortly afterward.

As I had noted, when I arrived, the Mission's agriculture program was in transition from high impact, rapid disbursement for fertilizer distribution to a program with 4 large regional projects. These projects were burdened with many objectives including increasing productivity, production, household income, food security, diversification, women's participation, agribusiness, marketing and even small scale irrigation and water management. Each regional project was bid out separately. Chemonics won the regional project in the south and was in the early stages of startup when I arrived. The regional projects in the north and west launched implementation shortly thereafter. The design of the project in the east was still under discussion.

Each contractor proposed activities that they deemed most feasible, prioritizing some activities and ignoring some objectives. All of them were mandated to include women as participants and beneficiaries. In the south, this was very challenging as women's lives were circumscribed by religious tenants and cultural norms that required women to remain in the confines of the family compound. With these constraints, the project

focused on poultry and vegetable gardening. In the north, women worked in the fields and herded sheep and goats and participated directly in the project's main activities.

Project management of these large regional projects accommodated the prevailing security environment and the interest of regional and departmental authorities. In the south, the regional governor pressed for participation of his staff or local authorities. We agreed to a management structure and regular meetings with designated authorities and our project implementor's staff, and when feasible, a USAID Agriculture Personal Services Contractor posted to Kandahar. The prime contractor's American managers were initially posted to Kandahar, but as security deteriorated they were transferred to Kabul. Over time their expatriate staff were increasingly limited in their travel to Kandahar and their availability to participate in these meetings

When I arrived, the USDA (US Department of Agriculture) managed an agriculture extension and research program staffed with American managers. Worried about the risk to American staff, the Secretary of USDA decided to terminate these projects. Joining forces with the USDA Washington staff who backstopped these programs and supported their continuation, we tried but were unable to persuade the Secretary to reconsider his decision. We offered to take over these projects, contracting the American staff to continue to provide short-term technical assistance. With much of our program concentrated in the large regional projects that were not yet generating results, it was advantageous to have ongoing projects generating solid results to report to Washington. I had the good fortune of having on my staff a foreign service officer who was a PhD entomologist, who had spent years working for the International Rice Research Institute out of the Philippines, and had been posted to Southeast Asia for years. He knew both the technology and the management issues involved in working in this kind of a setting. It was a joy to work with him. I took a field trip to the north with him and several other staff members to review the startup of our regional project in the north and check on the research and extension project. We flew up to Mazar-i-Sharif, stayed on a military base, and the next day visited a demonstration plot a little way out of the city where the extension project was demonstrating greenhouse technology that made it possible to start vegetables in a greenhouse with nighttime freezing temperatures. Indicative of the security, we made this short trip by armed escort through the center of the city but couldn't stop, much less get out, to see the famous blue mosque. In the year and a half that I served in Afghanistan, this was the only opportunity I had to visit a project implementation site, meet participants and get a first-hand impression of the value of the project.

We also had a project managed by an American NGO, called Roots of Peace. The NGO had gotten its start in Cambodia and Laos, demining rice paddies and fields of the unexploded bombs from the US bombing during the Vietnam war. The American couple who founded and managed the NGO had strong political connections in California that they cultivated and evoked in dealing with my staff and the Mission. They put together TV spots highlighting their work in Afghanistan and mobilizing support.

In Afghanistan, Roots of Peace promoted high value crops including grapes, pomegranates and vegetables. The grapes found a ready market in Kabul for those prepared to take the risk of trucking through territory controlled by the Taliban. Pomegranates were lucrative but didn't start bearing until at least 3 years after planting, limiting them to farmers who had the time and resources to wait for the trees to start producing. Pomegranates commanded premium prices in India where Kandahar pomegranates were famous during the British Raj, stretching back a hundred years and more. But marketing to India was difficult and expensive. Shipments had to be made through Pakistan, subjecting them to tariffs and extortion at both borders. With these challenges, we had agreed to several contract extensions but the staff was opposed to extending their grant yet again as an extension hadn't been budgeted. With the Mission Director's support, we were able to close out the project without political fallout.

A serious security threat hastened Roots of Peace acceptance of its project closure. Roots of Peace had an office in Kabul that was located right next to a nursery school run by Christian evangelicals. At one point, the Taliban launched an attack against the school but mistakenly attacked Roots of Peace's office, busting through the gate. The Roots of Peace security guards shot one or more of the attackers and held the others off while the staff called police and the Embassy for help and took shelter deep in the office.

Q: Were there casualties among the preschool kids?

NILSESTUEN: I don't remember but I don't think so.

Reflecting on my assignment in Afghanistan, I signed on for a one-year tour – the standard for all American FSOs. About 6 months into my assignment, I decided to extend my tour for another 6 months after talking it over with Joni despite it being an unaccompanied post. I felt that one year was too short. It took an excessive amount of time to move from contracting to implementation and I wanted to see the things I had worked on with my staff begin to generate results and have an impact. This perspective was noteworthy, recalling that when I took this assignment, I was dubious about the possibility of contributing to meaningful, sustainable development.

Wrapping up, I felt that the program was making a difference and could continue to make a difference. But there was always a— important caveat - security. If the level of security was maintained, then I believed it was possible to do meaningful development work that could be sustainable. This would depend on buy-in by the program stakeholders. Their support would be essential to enabling project implementation and deterring the Taliban from disrupting projects. My underlying assumption was that security would permit meaningful results to continue. Unfortunately, in the end, security deteriorated rapidly and disastrously.

I was glad that I had chosen to extend for six months. By the time I had reached 18 months, I was ready to come home and move on. It certainly was a difficult assignment with difficult development challenges, but I think I provided stable leadership and offered a participatory management style that motivated staff. I had five separate management

units in my office that worked on different parts of the program. I met with each of them on a very regular basis. I encouraged participation and wrapped up with the conclusions that I'd heard, asking people if they had anything to add, and then said, all right, this is what we'll do and these are the next steps. I felt that my management style suited the setting and I think it suited the staff in general. Morale was good.

Q: I think that management style suits any kind of setting. And it's a fascinating story of Afghanistan.

I'm sorry to come back to this. As you know, corruption became an increasingly serious issue across the board. Did you have to deal with issues of corruption, problems with audits being done of your programs?

NILSESTUEN: Corruption was indeed a major problem in Afghanistan. Oversight of project implementation and field audits were certainly constrained by security concerns. We reported on project implementation relying on third party sources. The American contractors were subject to the same kind of scrutiny and audit requirements that applied to them elsewhere. They relied on field verification by local Afghan audit firms.

Q: Okay, thank you.

NILSESTUEN: Shall we stop here?

Q: Yes. All right.

XIII. PARAGUAY AGAIN

2018 May - November

Q: Today is Wednesday, April 3, and I'm interviewing Wayne Nilsestuen, and Wayne will share with us his last assignment following retirement and coming back as USAID Representative to Paraguay, where he was earlier in his career, and then with lessons learned. Welcome, Wayne.

NILSESTUEN: Thank you, Marcy. It's a pleasure to continue our conversation.

Q: Likewise.

NILSESTUEN: When I returned home in the summer of 2015 after serving for a year and a half as a bachelor, I was ready to settle into retirement with family and friends. When I got a call two and a half years later from Carla Royalty in the LAC Bureau asking if I might be interested in returning to Paraguay for a short-term assignment, it didn't take long for me to say yes. It was now a small mission and a small staff with neither a Director nor Deputy Director. The Embassy was pressing LAC to find a senior, experienced manager to run the mission.

Q: Can you remind us of when you were last there just so we could see the time frame?

NILSESTUEN: I served as Mission Director from 2002 to 2006. It was my first post serving as a mission director. Twelve years had passed and much had happened.

Q: Oh, okay.

NILSESTUEN: I applied for the position as a US Personal Services Contractor (PSC) with the Regional Contracts Officer in Lima, Peru who managed contracting for Paraguay. I was asked to complete the standard form to apply for a PSC. Although I had spent more than 40 years as a Foreign Service Officer with a secret security clearance, I found myself trying to provide the addresses and phone numbers where I had lived for the last 10 years and the name, address and phone number of my supervisors and references. I also needed to establish my qualifications for the position by providing details on my graduate work and degrees. The process was a reminder that the Agency's processes are very bureaucratic.

Time passed after I submitted my application while a security background check was done. Having been told that it was urgent to fill this position as soon as possible, I inquired about my application. I was informed that someone else had been selected but I should just be patient, just in case. I was stunned and miffed. Who could be better qualified than the former Mission Director who had served with distinction? I learned that Susan Brems had been offered the position because she had a current security clearance and could start without delay. Susan was a very good choice. We had worked together in Bolivia, where she was the Director of the health office and I was the Deputy Mission Director. She had gone on to various assignments of increasing responsibility, including as a mission director.

Q: When you went to Afghanistan, you didn't have to go through this.

NILSESTUEN: To apply for a position in Afghanistan, I had to jump through even more special hoops, but that was understandable because of the extraordinary security requirements associated with serving in Afghanistan. But I didn't have to establish my technical qualifications by documenting my graduate work with a copy of my transcripts. I was being recruited to serve in a sector where I had spent the first 20 years of my career in USAID.

Q: Thank you. Okay.

NILSESTUEN: Filling the position of USAID Representative (due to its size, Paraguay no longer qualified as a mission) worked out well for me. USAID contracting rules limited the USPSC position to 6 months. With Susan Brem's departure in May, the Bureau had to fill this senior management position until an officer could be assigned and placed at post. I arrived in Asuncion in late May, overlapped for a few hours with Susan and commenced my six-month contract.

I was delighted with my return to Paraguay. It was the first mission where I had served as director. During that period (2002-2006) the Mission had thrived and expanded under my

leadership. I had enjoyed the confidence of the ambassador and the embassy support staff. The mission qualified for a Millennium Challenge Corporation (M.C.C.) threshold program, which dramatically expanded the scope and budget of the mission and created a working relationship with the presidency. The mission's ongoing program was impactful and innovative. Unlike many USAID missions it had not been co-located in the Embassy chancery. Rather the mission remained in an old historic mansion designated on the historical registry. The Mission sits on a relatively large compound with beautiful flowering trees. Returning to the Mission, I walked into my old office and sat at my old desk. It was like a Time Warp. I was back in a place that was very familiar and where I had a lot of good memories. Some of the FSN staff with whom I had worked warmly welcomed me back and shared their enthusiasm with newer staff. It had also been a special time for the family. We had transferred when our daughter was in kindergarten and we made friends and became part of the Paraguay community with kids attending the American School. Fortunately we were able to rekindle some of those relationships as well.

At the Embassy the Deputy Chief of Mission (DCM) had served as Chargé until the new ambassador arrived. He had initiated a monthly gathering for all staff in front of the chancery on the embassy compound. It was an all-hands-meeting where people and teams were recognized for notable accomplishments, performance awards were made and upcoming events of significance were announced. Held in the fresh morning air, people mixed over coffee and breakfast treats. Initially I was skeptical about these meetings but my staff was quite committed to them. I must say, they were right, that it certainly did have value in nurturing relationships between USAID and State Department staff.

The Ambassador was starting his first ambassadorial posting and had only recently arrived. Susan had developed a good working relationship and enjoyed his confidence. I benefited from the Ambassador's confidence in and perspective of USAID's program. I had weekly one-on-one meetings with him and he increasingly took me into his confidence. He acknowledged at one point that it was nice to have senior officers who had a lot more experience and perspective than some of his junior State Department Foreign Service officers, many of whom were serving at their first or second post. He also discreetly acknowledged his frustration with the State Department's Western Hemisphere Affairs Bureau back in Washington. It was very hard to get anybody to pay attention to anything that was going on in Paraguay.

USAID's program was now quite small and it was under constant pressure, threatening the viability of ongoing projects. The staff had become quite adept at applying for special initiatives announced by USAID/Washington which came with their own funding. The Mission had two objectives, democracy & governance and the environment. With creative programming the Mission sustained a breadth of programs. In the northeast, we worked in an area characterized by very small farms with high levels of rural poverty where organized land seizures and militant resistance to law enforcement had made it off limits for USAID staff for some years.

The Mission programmed DG money to work with local government to finance municipal markets where artisans and small farmers brought their crafts, products and produce to sell. Though small scale, the impact was significant for the rural poor served by the municipal market. The Mission also worked with the National Federation of Cooperatives, financing equipment for a creamery to expand its operation to process more milk and cheese. This served hundreds of small farmers who had only a few cows and responded to the increase in their income by expanding their herds and their production. The Mission's funding for the project was ending and the National Federation of Cooperatives was planning to end its support for the local creamery cooperative. I met with the Federation leadership, recognizing the importance of their support and the benefits it had generated for hundreds of small farmers served by the creamery. I invoked my own bona fides in asking the leadership to consider sustaining their support for the cooperative. My grandfather and then my father had been president of the local cooperative where I grew up. My brother served as the executive director of the Wisconsin Federation of Cooperatives and later served as the Secretary of Agriculture for the state of Wisconsin. In recognition of my faith in the importance of the federation's contribution to Paraguay's development, they gave me a complimentary book on the history of cooperatives in Paraguay. More importantly, they also committed to sustaining funding to small rural cooperatives.

The environmental program supported a program to demonstrate the viability of sustainable range management in the Chaco. The Chaco lies west of the Paraguay River, accounts for 40 per cent of Paraguay's land mass and is quite arid. Sparsely settled by indigenous groups, the region was populated by Mennonites who immigrated from Canada in 1927, attracted by the promise of access to free land. The government left the Mennonites alone, neither taxing them nor providing services or infrastructure. Left on their own, they organized large cooperatives that coordinated among themselves, levied taxes, built roads and schools and essentially governed themselves. They learned to manage scarce water resources required for ranching and produced a significant share of Paraguay's beef. As demand for beef from the Chaco increased and herds grew larger, it placed greater and greater pressure on the carrying capacity of the grasslands. To address this problem, the Mission had an \$8.9 million Global Development Alliance agreement with the World Wildlife Fund, (WWF) that was matched by private sector funds. Working with one of the Mennonite cooperatives, WWF worked on developing sustainable range management that offered the possibility of both increasing production and sustainable pastureland management. The coherence of the Mennonite community and the demonstrable benefits of sustainable range management augured well for widespread replication among the Mennonite cooperatives. Unfortunately, attracted by the lucrative ranching in the Chaco, Brazilians were beginning to buy large tracts of land in the Chaco where land was much cheaper than in Brazil, raising the risk of large-scale environmental degradation from over grazing.

Every year a big rodeo was organized in the Chaco's largest city Philadelphia. Of course the ranchers brought their prize livestock and their horses for show and competition. The fair presented an opportunity to highlight USAID's support for sustainable range management with the Mennonite community. Paraguay's new president, Abdo Benitez,

was sworn in on August 15th and decided to attend the Rodeo, giving him a chance to demonstrate his interest in the Chaco and signal its importance nationally. The Ambassador decided to go to the rodeo. He hadn't met the newly elected president yet. This presented an opportunity to acquaint him with our program in the Chaco and for him to spend some time with the president against the backdrop of USAID's support in the Chaco ranching community. The trip served the Ambassador's interests and the radio and press coverage certainly served the Mission's interests.

The mission continued to work in democracy and governance, particularly around civil society advocacy. In 2015, after years of lobbying, freedom of information legislation was finally enacted and became an effective tool in exposing corrupt practices. It energized civil society to demand accountability. Suddenly civil society organizations filed many more accusations (*denuncias*) of corruption and abuse of power.

Q: Wayne, can you give us context of what was happening in the government, et cetera, when you came back?

NILSESTUEN: Paraguay has a long history of authoritarian rule and corruption. The Colorado Party has governed since 1945 with the exception of a single five-year electoral cycle. Adolph Stroessner came to power in a military coup in 1954, consolidated his grip on the Colorado Party and the country and governed for 35 years. He was removed by a military coup in 1989. Corruption and patronage financed and maintained Colorado's control of the Congress, undermined the judicial system and left little space for national political competition. Horacio Cortes (2013-2018) had preceded Abdo Benitez. He was reputedly the richest man in Paraguay, owned 25 companies, and made a fortune smuggling cigarettes and other contraband into Brazil. Although he had never been a member of the Colorado Party, his wealth and influence swayed the party to change its rules, allowing him to run for President in 2013. The Colorado Party's control of the levers of power and patronage and its disposal of favors at the local level made Colorado candidates very difficult to challenge on a national level. It is in this context that the Mission focused on civil society to ferret out corruption and mobilize support to denounce it. The Mission supported a well-respected NGO that worked with more than a dozen smaller NGOs, to monitor and denounce corruption and abuse of state power. Their work contributed to increased press and media coverage of corruption cases that fueled increased public outrage. Civil society called for the removal of a notoriously corrupt Colorado Senator, and when this didn't work, people began to demonstrate at his house, pelt it with eggs and harassed his wife when she was seen at restaurants and shops. Ultimately his Colorado colleagues in the Senate pressured him to step down. This case exemplified the increased power of civil society to hold public figures accountable. USAID had developed and advocated for Freedom of Information legislation that was enacted in 2015, and civil society and the press were now utilizing it to investigate and call out corruption.

For more than 20 years Democracy and Governance projects had anchored the Mission's program. The Mission continued to focus on judicial reform. We supported institutions that were responsible for vetting nominations to the judicial institutions including the

Supreme Court and lower court judges. The vetting process provided for individuals and civil society organizations to report on alleged corruption which was then subjected to verification prior to making the judicial appointments. The staff and I met with the Supreme Court Justices to advocate they adopt a code of ethics. It was met with a mixed reaction but was later adopted.

With a small program operating budget and volatility in annual budget allowances, the Mission was opportunistic in pursuing special funding opportunities offered by various offices in Washington. Although the Mission had no history of working in education, it secured funding for a special education project. The Mission worked with several special education schools in Asuncion and with the Ministry of Education, providing materials and methods on best practices that could be adopted. The project made a difference for the schools, kids and families served by our program. It generated positive press and provided the Ambassador the opportunity to meet with the Minister of Education and highlight our assistance. It provided an opportunity to demonstrate the Mission's relevance to development and diplomacy.

Midway through the first Trump administration, USAID/Washington rolled out a new development Paradigm, "The Journey to Self-Reliance". All missions were instructed to prepare a development assistance strategy with the goal of fostering sustainable development and ending USAID assistance, whether in the near term or at some point in the future. While the language seemed to be a case of "old wine in new wine bottles" our instructions were to prepare USAID's Journey to Self-Reliance in consultation with the Embassy State Department colleagues. We did organize an inter-agency planning process. USAID staff provided real leadership in formulating the self-reliance strategy. Meanwhile, USAID/Washington had named a new USAID Representative to manage the mission. She would arrive sometime after I completed my six-month contract. The program staff consulted extensively with Evelyn Perez about her views, shaping a strategy that she could embrace and for which she could advocate. Reflecting Evelyn's expertise and experience, the strategy proposed education as a new program area. I saw my role as providing stability and reassuring the mission that the journey to self-reliance was not a plot to close the Mission but rather an opportunity to make our case for continuity with a program based on the Strategy's principles while laying the foundation for the next generation of assistance.

The Mission's entire staff were FSN's with the exception of my position. Adriana Casati, the Director of the Program Office, was an exceptionally capable FSN who had earned the confidence of the Embassy's DCM. She provided leadership for her team and the Mission staff, organizing a planning process around formulating a strategy that would be consistent with the precepts of self-reliance. I encouraged her to work in close consultation with the incoming mission director, to offer her candid perspective and advice on Evelyn's suggestions and questions. The Mission's Journey to Self-Reliance strategy was later approved. Adriana was an FSN-11 and felt that there was no space or opportunity for her to advance so she started reflecting on career advance opportunities outside of USAID. USAID had just announced a new personnel policy that would open up a new super grade, FS-13, but the policy was not well publicized. I told Adriana about

it and encouraged her to pursue it. She did. Sometime after I left she was promoted to FS-13, a testimonial not only to Adriana's demonstrated capability but also the Agency's commitment to opening up career advancement opportunities that didn't depend on the number of people you supervised or the size of the program you managed.

I had another opportunity to deal with a personnel issue. The Mission's FSN receptionist had been hired when I had served as Mission Director the first time but now was very demoralized. The small management team that she was a part of said that she took little initiative, was unresponsive to guidance and not a good team player. The Mission management officer established a new position at a higher grade and opened it up for applications from Embassy staff and others. The receptionist was convinced that this recruitment was a sham, that the management team would select some other applicant and pass over her. I asked her to come to see me. I said, I know you are thinking about leaving, but you don't have to. Why don't you just apply for this new position? She went home and thought about it. She did apply and she was offered the position and brought on board at a higher grade. She was very happy and became much more productive. All of this transpired in the short time I was there. One of my goals in accepting the offer to manage the USAID/Paraguay Mission was to stabilize morale. I felt that not only did I contribute to the overall morale of the Mission but that I made a difference in the careers of both our senior program officer and our receptionist.

As I reflect on the final chapter of more than 40 years of service with USAID, I note that over the course of my career in the Agency, I encountered innumerable changes in development goals, strategy, operational guidance, management paradigms, types of development goals, et cetera. The Paraguay assignment gave me an opportunity to reflect on the arc of my career. As I wrapped up, even though I enjoyed just about every minute of my 6-month assignment in Paraguay, I felt that it was time to retire definitively and move on. I was ready to return home and spend time with family and friends and enjoy our community, even as I reflected on the good life I had enjoyed.

Q: Okay. Wayne, thank you for this amazing description of your fascinating career. I've learned so much. As we bring this to an end, I would like you to reflect on lessons learned or perspectives on the agency that you think might be of assistance to others.

NILSESTUEN: The arc of my career spans a broad arc of the agency's history. I joined USAID in 1973. In 1972, Congress passed the New Directions Legislation and declared that development was not just about infrastructure; it was about addressing poverty, which meant in large part, rural poverty. USAID made a hard pivot at the time I was joining the agency. I arrived in Pakistan in January, 1974.

As I think about the agency then and what it came to be in later years, the agency increasingly elevated process over technical expertise. We have only sporadically and infrequently seriously evaluated our development assistance. The Agency's project driven cycle often crowded out lessons learned. In some sectors we lost our claim on cutting edge technology or best practices.

Process ruled too often. As the Agency downsized its staff, this problem became more acute. In smaller and thinly staffed field missions, an officer would be named to manage an office with a portfolio that might include some mix of education, health, agriculture, environment, democracy and governance, some of which they had little or no technical background, training or relevant experience. They were assigned there because the Agency deemed them to be competent managers. Management is important, but as a result the agency has come to favor management over technical competence. When I joined the Agency, the path to senior management was through the staff offices – Program, Capital Development and Project Development. The career trajectory of technical officers was to rise to office director or a senior position in a technical bureau in Washington. It was inconceivable that an agriculture development officer would ever serve as a mission director. I couldn't imagine it and I didn't aspire to it.

The Agency changed and over the years lots of competent technical and well-deserving technical officers did move up to senior mission management. The challenge was to fill the positions they vacated with experienced technical staff.

In the 1990s, the role and authority of contract officers expanded at the expense of the role and authority of technical officers. Technical staff were designated as the Contract Officer's Representative (COR). COR's were prohibited from providing guidance that could be construed as managing the contractor and thereby altering the terms of the contract and the contractor's accountability for results. Thus, technical staff serving as a COR could report concerns to the contract officer who might engage with the contractor based on input from his /her technical representative. Beyond that, the COR's duties were to monitor and report on implementation. These prescriptive roles were most rigid in Afghanistan, 2014-2015. They were exacerbated by the size of the mission. The bigger the mission, the more bureaucratic its business functions. In Afghanistan, my staff was prohibited from sharing with me the selection criteria and procurement process proposed for a very large irrigation project. This seemed perverse. How could I be accountable for a program performance if I were excluded from key decisions that would impact the program?

Finally, I would say that the Agency lacked an effective system for evaluating mission directors. The evaluation system was broken. As a Mission Director, I drafted my own evaluation, passed it on to the Ambassador to review, who then tinkered with it and sent it on to Washington to be reviewed and graded to determine whether a promotion was merited or not. The system lacked rigor and integrity. Those involved in the evaluation had little firsthand knowledge of the mission director's performance. I served under good mission directors and decidedly bad ones. There was a time when some regional bureaus took it upon themselves to evaluate Mission Directors by sending a team of experienced, senior officers with a variety of technical and management expertise. These teams spent three or four days at a mission assessing program management, contract management, financial management and overall, how the mission was managed. They interviewed American FSOs and FSNs and met with the Ambassador. They shared their findings with the Mission before departing and of course reported to bureau management.

Unfortunately USAID never adopted this methodology to systematically improve the rigor and integrity in evaluating senior managers.

Q: May I add here, so in 1985, 86, I was tapped as a junior member of a mission management assessment in Ecuador. I went with Malcolm Butler. I think it was one of the first in the Bureau, and this continued for a while, and then they did not continue doing this?

NILSESTUEN: True.

Q: Okay. Yes. And you're right. We detected a lot of things going on that would not have otherwise been shared from more junior people. Very good point.

NILSESTUEN: This reflects my perspective and some of the lessons I learned.

I want to close by recognizing that USAID provided me with an extraordinary opportunity to serve on 3 continents and to learn from colleagues, partners and host country counterparts. Over the span of 45 years that I served, the Agency changed and evolved, inevitably reflecting the priorities and the development perspective of Administrations, spanning Richard Nixon to Donald Trump. I take pride serving in an Agency that made so many transformational contributions to improving the lives of millions over this long period.

Q: Well, I thank you. And those are fascinating perspectives. I guess I probably shouldn't say this, but I totally agree with what you have to say.

And Wayne, it's been a delight. It's been fascinating. I've learned so much. And you certainly have contributed a lot of your knowledge, your thoughtful review of each of the posts and the challenges and descriptions of the portfolios. I certainly would enjoy reading your oral history. So thank you. Thank you so much.

NILSESTUEN: You're most welcome.

End of interview