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DONALD L. PRESSLEY

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INTERVIEW

Q: All right, this is our first session with Don Pressley. It is February 7, 2022. And we're going to start by finding out a little bit about Don's background and his childhood. So, Don, tell us a little bit about the early days.

PRESSLEY: I was born in Greenville, South Carolina, and moved to Barnwell, South Carolina when I was about six years old. Barnwell is a small town of 2000 near Aiken, SC. and Augusta, GA. The reason that my father moved there was something called the Savannah River Plant. This was back in the 50s, when they were just developing nuclear power. The Savannah River Plant processed the water from the river into heavy water that can be used to help the transformation of uranium into plutonium. So, he went to work there and spent his life in Barnwell.

Q: Was he an engineer?

PRESSLEY: No, he had not even graduated from high school. He started out as a security guard. Then he got a job as an electrician. To his credit, he kept improving himself by taking courses at night school and learning on the job. He advanced to the position of a senior supervisory electrician before he finished.
I have four brothers, no sisters, I am the eldest. I was the only one that went on to college. So, I grew up in a lower middle class income family, but we had a nice environment there in Barnwell, South Carolina, with a small school system and a very friendly atmosphere.

Q: Have you gone back? Or do you go back at all?

PRESSLEY: We do occasionally. My wife Sherry also is from Barnwell. We were childhood sweethearts. We first met when we were 12 years old. We “went steady” when we were 15 and are still together after all that time.

Q: That's really an amazing story. That is wonderful. So how did you decide to go to college? Did you have teachers or other support outside the family? Or were your parents really determined that you would go?

PRESSLEY: My parents were always very supportive. They encouraged me to read, and I soon knew that I wanted to go to college. Sherry's family is from a very similar background. Both of us were the first of our generation to attend college. There were about 60 in our high school class, and I think only 10 or 15 of us went on to college. But fortunately, we were both always in a group that expected to go for advanced studies. We had support from our teachers, and we were determined to build upon the opportunities that our parents were giving us.

Q: Right. That's amazing. Did Sherry go to the same college with you?

PRESSLEY: The first year I went to a men's college, Wofford College, in Spartanburg, South Carolina. Sherry went to Winthrop, a woman’s college in a town about 100 miles away. But after one year of me trying to go back and forth between the two schools, we transferred to the University of South Carolina. We both wanted to graduate from college, but we also wanted to get married. So, we went to summer school and took extra courses and graduated in three yours.

Q: That's amazing. Obviously, you had a close family. And it sounds like a wonderful community. Do you think that had any influence on the direction that your career has taken? Or do you think it's despite that background that you've become so international?

PRESSLEY: It was definitely despite that background. As I indicated, very few of my high school class went to college and very few actually left South Carolina. The real change for me was military service.

Q: I was going to ask because that's when the draft was just starting, wasn't it? And your draft board was in South Carolina.

PRESSLEY: That's right. After Sherry and I were married and had graduated from college, I went to graduate school for a master's in business administration. At that time, it was a three-semester program. But after one year, I got my draft notice.

Q: Being in graduate school was not an automatic deferral?

PRESSLEY: No, nor was being married. This was 1968, and it was the height of the war. Rather than join as an enlisted man, I went to Army Officer Candidate School (OCS). Then when I was about to graduate from that program, they offered another program to extend an extra year, serving four years, instead of three years. The incentive was the ability to spend the first year after OCS in the country of choice and then go to Vietnam. I thought that Nixon was already talking about winding down to war, and that my chances of not getting killed were better if I extended a year. So, I did, and we went to Heidelberg, Germany, but then never had to go to Vietnam.

Q: So, the full four years?

PRESSLEY: One year of training and then three years in Germany. After about six months in Heidelberg, the general officer in charge of the headquarters section where I worked asked me to become his aide de camp, his special assistant. He was the officer in charge of intelligence for all of the U.S. Army in Europe. We traveled all over Europe and that experience gave me the desire for international life. I decided to go to law school and major in international law. I thought that having a law degree would give me the best opportunity to do a wide range of things. I went to Georgetown University Law School and got my J.D. in 1975.

Q: That's interesting. That's great. So, you came back, and I guess you came back to Washington, right? Were you working while you were doing law school?

PRESSLEY: I worked during the summer breaks. The first year I got a job with a business association. Then I got a job as a clerk with the Department of Commerce. Then I got an intern job at AID.

Q: Right. So, you came in as a Legal Affairs Officer? How did you even know about AID?

PRESSLEY: I didn't. I had no background, no knowledge of the foreign aid business at all. I wanted something that would give me more international credentials and I saw an advertisement for a summer position with the General Counsel’s office. I actually thought it was for the State Department. The position was for a student currently between the

junior and senior year. Then during your senior year, you could work part time up to 20 hours. The kind of work and the ability to continue to work part-time was attractive so I applied, interviewed, and got the position even though I had no prior knowledge of AID nor its mission.

Q: Right. Interesting. So as a newbie in general counsel's office, was it mainly contracts, or did you get sucked into dealing with the Hill?

PRESSLEY: I didn't at that point. They rotate you so you can try a lot of different things. But, somewhere in that period, the Assistant General Counsel for Personnel Matters became ill and went on leave of absence. I was asked to review her inbox and help deal with some of the issues where I could. As a summer intern, I wound up doing quite a bit of personnel work at that stage.

Q: So, you started out as an intern and then you switched over to basically a regular appointment. I'm trying to remember - at that time were there hiring freezes, and then they opened up? I don't know whether you got in before those started or whether that was part of your experience coming in.

PRESSLEY: I joined under the International Development Intern (IDI) program. They had never tried lawyers in the IDI program before that. They started with three of us. This was in the summer of 1975. Then, they put the whole program on hold, because, as people were returning from Vietnam, they wanted to give the returning veterans a chance to participate in the program. We had to wait for all of them to be interviewed, but since I was a veteran also, I was able to remain in the program. But this was before the hiring freeze had really started; that was later on after I was already approved. As an IDI, I had to serve overseas, and my first post was Islamabad, Pakistan.

Q: So, Pakistan was a very different place I imagine. Islamabad, if not a sleepy town, was certainly nothing like what it became. At that point were you able to get out into the country or meet with your counterparts? What was the experience like in Pakistan in 1975.

PRESSLEY: Well, the city itself was only about 10 years old at that point. They were still in the stage of building the government buildings and other infrastructure. There was a town about 10 kilometers away called Rawalpindi, which was the market town. That's where you went to buy things and to have an opportunity to get around outside of the US community because there wasn't very much in Islamabad itself. The government was there, but there was little personal connection. Our interaction was to have a meeting and leave. So, going from Heidelberg, Germany, to Islamabad was quite a change indeed. We

had all the disease issues; we had the food issues; we had the Muslim culture issues. But fortunately, the people were very friendly, very nice to us. I studied Urdu and developed a smattering of language ability. I covered Afghanistan and India from Islamabad because Islamabad was the regional post. My boss was Jerry Zarr, Senior Regional Legal Advisor, but unfortunately, Jerry contracted a very debilitating disease while I was there and had to be evacuated for quite a few months. This meant that I did more regional work than was originally expected. I often traveled in my own personal car, and sometimes Sherry and our daughter, Che', who was two at the time, would even travel with me. We would drive through the Khyber Pass and up through the Kabul gorge, and go to Kabul, Afghanistan. It was a big bustling city at that time. And again, no issues. My timing was really very fortunate. The tension between India and Pakistan had simmered down and the Soviets had not invaded Afghanistan yet. So, I got to learn the culture and the people at a time when it was actually pleasant to do so. For the first time, I was studying the Muslim religion and trying to understand it; first time interacting with a totally different set of other lawyers across the table from me; First time to feel the history of the subcontinent and see the results in action. It was a great learning experience and I found it fascinating. I had always thought when I graduated from law school that I would eventually end up working for a private international law firm. But after two years in Pakistan, I realized that staying with AID appealed a lot more.

Q: Right. What were some of the legal issues you dealt with? It was certainly more than just contracts, I assume.

PRESSLEY: It was, although contracts and the bilateral international agreements were the main thing. At that time, we had umbrella agreements, but then we would add program specific agreements under them. And so, I spent a good bit of time drafting and negotiating the terms of international agreements and contract language to fit within the terms of our program agreements. The counterparts that I met then usually had very little understanding of American legal precepts and there were frequently language barriers which made it frustrating but rewarding. I remember meeting with a government lawyer in Afghanistan for the first time. He asked that we go line by line. I started reading the preamble - the section with whereas this, whereas that, whereas …, and he says, "Wait, don't go so fast. Tell me what 'Whereas" means. Well! (laughter). One of the things that I did was to administer a little grant program with the Pakistan Bar Association. I met the Dean of the Law School in Karachi, which was still the main law school at the time. The idea was that we would give them law books. During our meeting I noticed that he had a set of the U.S. federal code in a bookcase, but the bookcase was locked. And I asked, "How do the law students get access? What's the process? And he said, "Oh, we don't let law students have access to these. They're way too valuable." I then discovered that it was a 1950's edition of the books, and to him they are too valuable to let the students see

them in 1976. That was the kind of thing that I was learning. Just so different. So isolated from what we have in the U.S. But it was very interesting work. I was also able to get involved with solving contract issues as opposed to just setting them up. Normally, this would be handled back in Washington. But then a US contractor would come out and there would be a question on the interpretation of a contract. That was one thing. And then the other thing was working with the project development team. The team would be developing program design documents but would come to me for advice on what the rules were that we had to follow in order to do different kinds of things. I spent a lot of time that first year learning the rulebooks, the handbooks, about different aspects of doing AID business like "Buy America", and other administrative rules. But I enjoyed the experience and actually learned a lot in that first tour.

Q: So, I'm curious, I don't know Pakistan very well, but at that time you must have encountered baked-in corruption issues, or things that might be good business practices there but wouldn't fly in our code. And very often, in my experience it was the lawyers who had to catch that. So that was probably one of your assignments.

PRESSLEY: I'm glad you mentioned that. As I was thinking about my career with AID, one issue really stands out and that is the problem these countries face with endemic corruption. It always bothered me that it was the kind of thing that's very hard to take head-on. And certainly, in Pakistan, you learn it at the smallest level. And it was something that was a constant issue. I have to admit that we never really uncovered major problems, it was just the little things that were commonly accepted there. For example, American contractors getting their goods in from the port and getting through customs would require some small bribes. And you would give American contractors a slap on the wrist or tell them, hey, you know, you can't do this. So don't do it anymore. But it was just a way of life. Rather than large issues of corruption, in Pakistan, what we saw was the constant attempt by government officials wanting favors of some kind or another.

Q: Right. And so, you spent a lot of time educating American contractors on where the red lines were. Yeah. So that probably is also your first posting where you had a lot of interagency work, or were you not very much involved with, say, the State Department or I don't even know which other government agencies were there at the time.

PRESSLEY: There were quite a few there like Agriculture, Commerce, Drug Enforcement, certainly a large military presence, the CIA, all the various agencies were there in force at that time. It was really about the Cold War. The State Department was trying to ensure that Pakistan stayed in the U.S. camp. They (Pakistan) were at the time also trying to develop their nuclear weapons, even back then, so foreign aid was a significant tool. USAID had a real seat at the table in that environment.

Q: Right. And then, just at a personal level. I don't know whether your daughter was too young to have to worry about schooling. But I imagine there wasn't a great school system there. It was all in Karachi, wasn't it?

PRESSLEY: You're right, Che' was only two years old. There was no U.S. kindergarten program or nursery school, so we put her in a British nursery school. When we went back to Washington, she came home with a cute little British accent. On the personal level, the issue there was that suddenly you had to have other people doing things for you. The servant system and the caste system were so well entrenched in South Asia that it was considered an affront not to use it. This was compounded by such poverty that being a servant in a foreigner's house was a source of income and a source of status. That's something that was hard to deal with at first, because we were rich compared to them. You needed someone to wash your clothes because there was no way to do that yourself. You had to hire someone to clean the vegetables with a vinegar mixture and boiled water. There was this whole system set up for people to do that. Coming from our small-town South Carolina backgrounds, that was quite a shock.

Q: Right. And did a lot of that fall to Sherry, the household side of it?

PRESSLEY: Yes, she was expected to run the household. She would talk to the "Bearer", the senior person, and then he would talk to somebody else. And it was always "he", by the way, except for the "Aya" who was the nurse maid, the person that helped take care of Che'.

Q: Right.

PRESSLEY: We were very fortunate in making friends that had been Peace Corps volunteers in India. They spoke Urdu very well and were very familiar with the culture. They were able to share their insights into how the culture worked, and how to deal with people. Don't shake hands right off the bat. Don't shake hands with women. That's just a small, small example. But that kind of thing was critical in order to interact with people who were so different from us. It was such a major cultural experience in Pakistan, that I think it helped us as we went through other countries.

Q: So, you left Pakistan because it was time to leave? Or were you recruited to go come back to Washington?

PRESSLEY: It was time to leave. I actually wanted to stay overseas. But the General Counsel's office wanted me to get more experience in the home office. So, we returned to Washington in the fall of 1977. Then our son, James, was born in January of '78.

Q: That was one year into the Carter administration. It was before the whole IDCA experiment, which maybe not didn't affect GC so much.

PRESSLEY: To the contrary.

Q: --oh were you involved?

PRESSLEY: When I went back to Washington, I was assigned to the legislative affairs division of the General Counsel's Office. Kelly Kammerer was the director of that office. He introduced me to George Ingram, Mike Van Dusen, and Dick McCall. They explained that Senator Hubert Humphrey, at the time Chair of the Senate Foreign Relations Committee, wanted to rewrite the foreign aid bill and create a Department level organization. And so, I spent months as the primary draftsman for the bill. We would work on legislative language, show it to the committee staff, rewrite the legislation, go back to the General Counsel, Mark Ball, to get his input and then write another draft. This process took months. Unfortunately, before we could go through the entire interagency process, Senator Humphrey died. Without a senior champion, the other agencies and the State Department watered down the bill to the point that the International Development Cooperation Agency (IDCA) was a non-entity from the start.

Q: IDCA was what you could sell? Or I'm curious, had he lived how would it have been different?

PRESSLEY: Well, IDCA never had the status he wanted it to have. The head of it was not cabinet level by any means and did not coordinate anyone but USAID. It was still basically under State for all intents and purposes. The original bill would have given it the authority to coordinate all the many aspects of foreign aid, even those under other departments in order to develop a more strategic and comprehensive approach.

Q: Well, it would have been a slog anyway.

PRESSLEY: It would have been, it would have taken a lot more time, and we would have never gotten it all. But with Senator Humphrey’s stature and sponsorship, we would have had a much better chance of getting the concept approved. Without him, there was no chance. But I was there at the birth, and it was a very ugly little child.

Q: Okay. All right. You spent a long torturous year, and then got out before it all fell apart.

PRESSLEY: That's right. We came home in the fall of '77 and then the fall of '79 went back overseas. But practically all of my time during those two years I was working on that legislation.

Q: Did you have a sense while you were working on it, that it wasn't going to fly?

PRESSLEY: I was pretty naïve. I didn't really know the Congress that well nor who the key players were. I was just enthusiastically writing away; At my level there was great enthusiasm that we're going to change this law. And yet once again, it was a very good learning experience that proved very valuable later when I was dealing with Congress as an Assistant Administrator.

Q: So, you were ready to leave. You had two little children. And you went off to Bangladesh?

PRESSLEY: Off to Bangladesh!

Q: Those were also early days. I mean, Dhaka was not a thriving city at that point.

PRESSLEY: For sure.

Q: It was probably even less developed than Islamabad. I'm guessing.

PRESSLEY: In many ways, it was. From Islamabad you did have that ability to get out into the countryside, and go up to Murree, a former British kind of Highlands town to get away from the heat. They have a little golf course up there and nice little shops and restaurants that actually catered to expats. It was more pleasant. In the case of Bangladesh, you're down in the delta, it's incredibly oppressive, and you have ninety million people all around you. And talk about living in a goldfish bowl! I mean, our daughter could barely go out with her blonde hair and play in the backyard or there'd be a hundred or two hundred people looking through the fence staring. So that cultural experience was even more intense, but Pakistan had helped prepare us for it.

Q: Right. And you were an RLA there, so did you get to travel?

PRESSLEY: I did. That was actually the bigger issue for me personally. By this time, believe it or not, we had cut aid to Pakistan over the nuclear program. We had almost

closed down the mission in India. So, they gave me five countries to be responsible for: Pakistan, India, Nepal, Sri Lanka and Bangladesh. I was on the road constantly. That's hard.

Q: Yeah, it's hard for concentration. It's hard on a family.

PRESSLEY: Correct. At this point, Pakistan and India were mostly dormant programs with a few wind-up issues, so I didn't have to go there more than a couple of times, but Sri Lanka and Nepal were big programs, so I focused on Nepal and Sri Lanka almost as much as Bangladesh. That first year was pretty miserable just being on the road so much.

Q: Right. So, was Nepal the biggest program at that point?

PRESSLEY: No, Bangladesh was. Shortly after we got to Dhaka, the mosque in Mecca was attacked. Ayatollah Khomeini said kill all Americans. I happened to be in Nepal, and just after I arrived there, the Embassy in Dhaka sent a telegram saying, come back. Washington had decided to evacuate eleven different countries that were Muslim majority. I managed to find a flight from Nepal to Calcutta, India and then arrived in Dhaka the following day, literally just in time to catch the evacuation plane.

Q: Sherry and the kids were already at the airport?

PRESSLEY: Yes, they were in the departure lounge as I was exiting the arrival lounge. I asked, “Should I stay?” They said, “No, you've been awarded the C. Herbert Rees Award. So why don't you go to Washington and receive it and then come back?”. That gives me a chance to fly home with Sherry and the kids and get them settled. So that's what I did.

Q: Are we in '80 or '79?
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PRESSLEY: We're now in January of 1980. I talked to the mission in Nepal and said, “I'm regional. I could work from Nepal if you would let me bring Sherry and the kids with me.” They agreed, and we stayed in Nepal for about three months. Nepal is a beautiful country if you look up, but incredibly filthy if you look down. In addition, there was a truck drivers’ strike in India which prevented Nepal from getting any gasoline into the country. Consequently, we had rationed electric power and rationed fuel for cars. We had to get up at one in the morning, because that's when the power came on; it would heat the water. And Jim was this eighteen-month-old baby and immediately got amoebic dysentery. You can see the scene, right?

Q: Yeah. Sherry said we need to be here, why?

PRESSLEY: Exactly. Three months later, our friends in Bangladesh said, "Oh, you guys are never coming back," and Sherry said, "Are you kidding? I'm coming as soon as I can."

Q: So, are you able to get back to Bangladesh?

PRESSLEY: We got back to Bangladesh, and the servants that we had in Bangladesh had been great. They had taken care of the house; they had guarded the house while we were gone. And everything was there in good shape. So, we were able to return to a normal life pretty quickly in Bangladesh. Sherry got a job with the embassy as a part of the trial effort to create the Community Liaison Office (CLO). She was the very first CLO in Bangladesh. Now, she was working when I was working so that made it a little easier on her for me to be traveling all the time. Once again, as I was addressing legal issues, I was learning more about the programs that AID was developing to try to address the awful poverty in this part of the world. I began to assist with program development and started being more interested in the program side than on the just straight legal side even in those days.

Q: I'd be curious about your experience with the FSNs. And if any of them stand out, did you have FSN that worked in the legal unit?

PRESSLEY: I did. In Pakistan and Bangladesh, but they were more clerical staff. I had a Pakistani lawyer and then a Bangladeshi lawyer on call. When I went on to the Philippines, I had a full-time lawyer working in the mission, but I did not in Pakistan or Bangladesh. And despite coming through that British system, we just didn't have people that we felt were that qualified. I think that the role of the FSNs is a story all by itself. I think at that point in time they were not valued as much as I believe they should have been. Later in my career, the FSN involvement was much more pronounced than those early days.

Q: I think that's accurate. And we'll come back to that. Was the Philippines then the next step? And it came basically two years later.

PRESSLEY: After about eighteen months of this, traveling all over and being gone so much, I came home from a trip and Sherry says, "We have a problem." A friend from the embassy came to deliver some mail and my son asked if that was his father. Sherry said, "You've got to come around a little more often." After some discussion with the General Counsel's office, they assigned a bachelor to Bangladesh and assigned me to the Philippines.

Q: Right. And I'm guessing that was a much easier assignment in some ways, or the living was at least easier?

PRESSLEY: It was much easier all the way around. Now, I had the South Pacific as my region, but I would only go there once a quarter. At this time, we had a major program in the Philippines, and we were working directly with President & Mrs. Marcos, so that was quite interesting, but the legal issues weren't very challenging. After about three months there, I told Sherry, "I think I want to go to Egypt next.' And she said, "Don, would you let me hang the pictures first?" I really developed the wanderlust pretty strongly by that point. But the program in the Philippines was a fascinating one and there was a great team there who became good friends. It was a great mission. A very good program. And we have the fun of working with the Marcos'.

Q: Ah, yes. They got kicked out while you were there, no?

PRESSLEY: That happened later on. That was after I had left, quite a bit later actually. At this point, they were really in their heyday. Imelda Marcos was both the Mayor of Manila and the minister in charge of all the AID programs. We all got to know the Marcos' personally. They were very charismatic people on a personal level. We knew that they were trying their best to steal all the money they could, but they were the people who were also our direct contacts for the USAID programs. It was really an interesting assignment from that standpoint.

Q: Right. And do you recall any confrontations with them or was your job was to make it work?

PRESSLEY: It was mainly to make it work. Our main focus was to design programs and craft agreements that ensured our funds were being spent for the intended programs and not being siphoned off. For example, one of the early sector assistance grants was a program to support basic education. A key element was to support the building of elementary schools. The way we set it up was that the Government of the Philippines would build the school using pesos. We would then send a team to verify that it existed; that it had teachers; it had schoolbooks; it had kids actually going to school. Only then would we transfer money to the treasury of the Philippines. We had a General Accounting Office audit of the program. My job was to write a legal opinion to show that, legally, our funds were not being used in the actual school construction because there was so much corruption and kickbacks. I had to make the case that this was not U.S government money, and we were not in charge of those contracts. My defense of the program was

accepted by the GAO and those kinds of sector assistance programs became a model for all countries.

Q: Absolutely. And we often didn't come away looking that great from GAO attention. But I'm curious, did you come away thinking that program assistance like that --dispersal upon result was a good model for us to follow?

PRESSLEY: I did. Over time, I became less enamored of typical project assistance, because we just couldn't make a difference. We couldn't change the culture of corruption or, too often, the country's unwillingness to use and build upon the results that our little projects were trying to achieve. The Philippine experience was one of the ones where the corruption was so endemic at so many levels that I began to question our whole approach to how we tried to tackle that. I never felt like AID or the U.S Government ever took on corruption. We weren't willing to take it on head on, because that became a diplomatic issue or government relations issue, whereas we were trying to do some good with the project funds that we had. To me, it became important to try to structure our assistance to avoid corruption as much as possible since we weren't tackling the corruption directly. From that standpoint, I thought it was a more successful way to carry out business. But in terms of how we restructured the way AID did business with other countries, I am not sure it was more successful or less, because I think scale became a much larger issue.

Speaking of an example of corruption, I was asked by the Ambassador to become the president of the Employees Recreation Association, including a facility called Seafront. A week later, the Supreme Court of the Philippines decided against the Employees Association, in favor of a lawsuit that had been put into place by some staff of the Employees Association ten years earlier. The court ruled that the Employees Recreation Association did not have diplomatic immunity like the U.S. Embassy has. The case had fallen through the cracks over the ten-year lag in time and the problem landed in my lap. I hired a Philippine law firm to assist with this matter. Their solution was to bribe a list of government officials up to and including President Marcos himself. In the end the embassy was able to settle with Philippine employees. I was reassigned before the case was settled, but that was the environment we were living in at that time.

Q: Fascinating. I think you ducked a bullet because it would have taken all of your time.

PRESSLEY: To be clear, the life we lived in the Philippines was one of the best experiences we ever had. We made great Filipino friends and enjoyed living in the country very much, but from a work standpoint, I found the Philippines to be less challenging for me. I wanted something more. And so, after two years or so, the Egypt opportunity did come open, and we did move to Egypt.

Q: At that point, your children were both in school. And Cairo was a good place for a family?

PRESSLEY: It was excellent. The school was called the American College of Cairo. And because of the huge presence that all U.S government agencies had in Cairo, it was a big school. My daughter was there from the third grade to sixth grade, and my son was there from kindergarten to second grade. It was a very good environment. The school was in the suburb of Maadi, which was about 10 miles outside of Cairo. Our house was not far from the school, and the school was the center of expat living. If you had kids, you were at the school. A lot happened there, and it was a good school. And so, that was a very, very positive aspect of life in Egypt.

Q: Right and was Sherry able to get either CLO or some other position there?

PRESSLEY: While Sherry was CLO in Bangladesh, she had developed a handbook for Americans arriving in-country that focused on both life as an American expatriate as well as the cultural and practical issues of living in such a poor developing country. This handbook was used for both embassy staff and contractors. When we went to the Philippines, she applied for a job as the assistant General Services Officer (GSO) and her CLO experience helped her to get the job. Shortly after she was hired, then the GSO became so ill that he had to leave the country. So, Sherry became the acting GSO and loved it. She had a great job there and a great time, she was very sad to leave the Philippines. And from a family lifestyle, it was the best post we ever had. Many of us had young kids and it was a perfect environment to do family things like go to the beach and have barbecues and have nice, pleasant family outings together. The Filipinos were great friends and we still kept in touch with some of them for years afterwards. It was a great family environment for young families. And then Egypt was in many ways very similar from that standpoint at least within the expat community. Then when we went to Cairo, Sherry interviewed for the Assistant Executive Officer position there and was hired right away. They assigned us to a house that was in the construction zone of what later became New Maadi. And we said, “No, this isn't going to work. We can't leave two little children with all this construction going on.” We moved into this little residential hotel in the downtown main street of Maadi, and we lived there for six months. Finally, our regular house was ready, and we got settled after that.

Q: Right. So, money was no object. Everybody and his dog were there to work. I know you then became Associate Mission Director, and we'll talk about that but while you were still Senior Legal Adviser, what were some of the legal issues that you had to deal with? Were they the same things as in other places?

PRESSLEY: It was very similar, but on such a different scale that I had three U.S. attorneys under me - two who came from Washington, and a third attorney who was a local hire. In addition, we had a full time Egyptian attorney. Additionally, the Contracts Office actually worked for the Legal Adviser. This was the first time I had real management duties as well as just being my own stand-alone legal adviser.

Q: Right. Well, and I imagine, even with all that staff, everybody was very busy. But this was maybe the most political assignment until you get back to Washington. Maybe that's not right. But you must have had CODELs coming out all the time.

PRESSLEY: That's true. In the Philippines, the military relationship was the dominant political agenda. In Cairo, the Economic Support Fund (ESF) relationship was much more significant. This was the first time that I really got heavily involved with the broader Embassy. Some of the issues they were facing were not strictly legal, but quasi legal, where it would be, "what do you think about this?" "How would this affect?" I began to deal more with the political side of the legal issues; for example, the President wants this, or ministry of x wants that kind of arrangement, etc. Now I was dealing with senior government officials more than just dealing with another lawyer across the table. That was a significant change, and dealing with senior counterparts began to take most of my time. I became the representative of the program, from a legal standpoint, dealing with ministers and different issues that affected both the other departments as well as AID.

Q: Right. Who is your Ambassador? I imagine you had two during your time there.

PRESSLEY: First it was Nick Veliotes, and then Frank Wisner.

Q: Yeah, Wisner is a bigger than life figure anyway. Keeps you on your toes. But so, you were a US point person when there were meetings with ministries, and it wasn't appropriate for the Ambassador to come. And your business was in English?

PRESSLEY: Yes, all the senior Egyptian officials spoke English, and we had AID programs with almost every ministry. Egypt was a very busy program. Peter McPhearson was the AID Director then and he loved to come to Egypt. Mike Stone was my first Mission Director (a political appointee, interestingly) and then he was followed by Frank Kimball. They gave me a lot of leeway whenever a "legal' issue was involved, so that was when I started working at a truly representational level.

Q: Right. Well, this was prime time in the Reagan administration and private sector development was the watchword in Washington. How did that affect the program in Egypt? Because at that point, the private sector was probably not that well developed?

PRESSLEY: You're exactly right. When Frank Kimball asked me to switch from being the Senior Legal Advisor and become Associate Mission Director my portfolio was called Investment and Infrastructure. The job was to add private business elements to state-owned enterprises and help develop the private sector. That was my portfolio, and it was a very nascent undertaking. It was my first foray into real program management, and you're right, there was a lot of attention focused on shifting from state-owned to becoming private entities – what we now call privatization.

Q: Right. Well, those state-owned enterprises were clunky beyond belief. The government as well, with its guaranteed employment, was a behemoth. You must have dealt with the American Chamber of Commerce? They were, as I recall, a vocal interest group that you had to pay attention to.

PRESSLEY: Yes, they were very active there. And before I leave the legal side of the house, one of the things that was a difference there and caused us to need so many lawyers, is there was a lot more legal dispute work there. And a lot of cases that actually were being tried in American courts. So, we would have to do the work that needed to be done on the ground. We never represented anyone in either country, but we got involved a lot more in fact-finding and comparative law issues.

Q: The cases would often come to U.S courts, because these were U.S contractors.

PRESSLEY: Typically, they were. They chose U.S. jurisdictions because they certainly didn't want to go before an Egyptian court. We took a legal position that a contract is actually with the host government. And these are host country contracts. USAID is just the provider of the funds. This would get challenged at every chance possible. So, we lawyers, in-country, were very active in dealing with those kinds of issues.

Q: No kidding. Wow. I suspect we need to leave it there.

PRESSLEY: Good stopping point.

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Q: All right. Today is February 18, 2022. And we are continuing the conversation with Don Pressley. Don, I think when we stopped you were just wrapping up your time in Egypt. And is there more you want to say about that? Because you moved from being the

Senior Legal Adviser to being the Associate Mission Director. Although you had already been doing a fair amount of management, I think officially that's when you moved into the management column.

PRESSLEY: Yes, I spent two more years in Egypt after that, as the Associate Mission Director. I had five offices under me, I was probably about thirty-nine at the time, and I had these five office directors that were almost ten years older than me. And so, it was a real management challenge at the time. In addition to helping the state-owned enterprises, we were really focused on privatization. And it was very early on, before the big privatization wave in Eastern Europe and the former Soviet Union. Of course, as you can imagine, there was tremendous resistance. So, we actually didn't get any privatizations done, but we went through a lot of thinking about it, and how you might do it, which came in handy later on.

Our private sector investment was primarily related to the import of American goods because there was not much American investment in Egypt at that time. However, I designed a major investment project for the Egyptian auto industry that I thought would work really well. At that time, the Egyptians were buying car kits from Fiat in Spain and then assembling the cars locally. The Minister of Economy persuaded President Mubarak that they should have a competition to see if they could get a better deal. A representative from General Motors' Opel division came to see me and said, "We want to participate, but we need subsidies from the United States government." And I said, "No, we don't do subsidies." However, I became intrigued, and I came up with this scheme where USAID would support local Egyptian companies that could make car parts for the assembly kits that were coming from Germany. To make a long story short, ten companies agreed that they would open plants in Egypt and build wiring harnesses, windshields, steering wheels, tires, etc. They would sell their products to Opel so that Egypt could get some hard currency for the exports, which in turn would give the Government of Egypt enough hard currency to buy the Opels from General Motors. Lo and behold, General Motors won the competition. Regretfully, the Fiat company paid so many bribes that even though General Motors thought that they had won the contract, the Government of Egypt reneged on the deal and stayed with Fiat.

Q: So, did AID [Agency for International Development] withdraw its support for manufacturing these various parts?

PRESSLEY: Well, without the guaranteed market from General Motors, they dropped their projects, too. The whole thing fell through, and it would have been a tremendous source of foreign income as well as a real kickstart to real private sector investment in Egypt.

Q: Can you just talk a little bit about moving into a management position where you were a younger unknown quantity, the sociology of the mission at that point, and how you won them over?

PRESSLEY: It was very interesting. The way that the mission was set up, most of the associate mission directors were former mission directors. The result was little internal power struggles. We must have had over a hundred American staff plus the FSNs [Foreign Service Nationals] and billions of dollars in the project pipeline. Egypt was truly a huge program. As you can imagine, there were a lot of eyebrows raised when Frank decided to ask me to take the Associate Mission Director role. I learned a lot during those years. We started being more proactive in interacting with the Egyptian Government and taking some risks that paid off. We revitalized an entrepreneur support fund concept that had been languishing, and I was able to get the Egyptian Government to agree to do it. So, it was a process of trying to show that we could make the private sector-oriented portfolio work. I think we proved that it could by succeeding.

Q: And there's nothing like success to persuade reluctant followers.

PRESSLEY: I won an AID award because I was able, while I was there, to persuade the Egyptian Government to reduce the number of permits required to export agricultural products from over fifty-two down to about twenty. So, I cut them in half. Those who could no longer use their positions to extort bribes weren't very happy, and I wasn't happy that there were still 20, but the agricultural exporters were very happy!

Q: I am sure that's right. A lot of rent-seeking behavior got constrained at that point. Were FSN is in professional positions, or where they mainly support staff do you recall—

PRESSLEY: We did have FSN [foreign service national] in professional positions. As I mentioned, in our last conversation, I think that there was still this attitude that we knew better, and that they were part of the system we were trying to change. Many of them were older professionals who had come from the Egyptian government. You could never quite be sure of their commitment to the way we did business as opposed to the way they had done all their lives.

Q: And then at that time, this was before the bombings, you were able to travel around the country pretty freely.

PRESSLEY: Yes, there were very few problems. There were really no security issues of significance at that point in time at all. The radical Islamic movement hadn't built up at

that point. And so, we were able to really interact with Egyptians. We got to know, through the American Egyptian Chamber of Commerce, a number of Egyptian entrepreneurs and businesspeople.

Q: Right. Well, just one last question on that. You must have been dealing with the embassy a lot because this was largely a foreign policy-driven program. How would you characterize the relations between AID and the embassy at that time, were there any other government agencies that had a presence in Cairo? I'm thinking HHS [U.S. Department of Health and Human Services] or Department of Agriculture, anything?

PRESSLEY: Practically every U.S. government organization was in Egypt in one way or the other. They all had a representative there. The country team was huge at that point, and because it was all ESF [The Economic Support Funds] funding, the State Department felt like they ought to be able to tell AID missions what to do.

Q: Right. Interesting. So, other than maybe some nose-to-nose confrontations about specific investments, was it pretty collegial otherwise?

PRESSLEY: It really was. USAID was the largest in terms of presence as well as access. Many times, one of the commercial or econ [economic] or political officers would come to me and say, "I need to have a meeting with so and so, can you get me an introduction." We were happy to help out and we generally worked well together.

Q: But at that point, the AID had its own offices. Apart from the embassy, right?

PRESSLEY: Yes, that's right. We were about two or three blocks away. And we had four or five floors of a ten-story office building. We were much too big for the embassy compound.

Q: Right, right. Well, I'd love to turn to this next interlude, which I'm intrigued about, because I think you took a leave of absence from AID for three years. Can you say a little bit about leaving Egypt and deciding to do that?

PRESSLEY: As I was designing programs for these entrepreneurs and small businesses, it dawned on me over some time that I had been only doing government work myself my entire career. And I was now working in an area where I really didn't know very much, but I was intrigued by it. A few businessmen I knew encouraged me to think about setting up my own company. I gave it some thought and decided I would give it a try. I wanted to do something different and see if I could be an entrepreneur. I thought I had enough drive. So, I talked to Sherry, and I said, "This is going to be hard at first, because doing

international work, when you're just on your own, means you're traveling even more than I had been in the past." But she was a really good sport and agreed to do it. I resigned from AID, moved back to Washington, and set up a company called Columbia Resources. It was a small operation. I had seven individual investors who agreed to come in and help with the startup. And I did all kinds of entrepreneurial things - - bought companies, sold companies, put together merger deals, helped a business create an office in Thailand, - - just a mishmash of whatever comes through the door that you think can succeed. For example, one of the things that we did was to provide funding to an Egyptian entrepreneur with a pretty nifty idea. There was a King Tut [Tutankhamun] museum exhibit in those days. The entrepreneur had come up with the idea that as you came out of the museum, there would be an Egyptian village with actual Egyptian craftsmen selling their products. You'd have a papyrus maker, you'd have a potter, you'd have a weaver - - folks like that. He needed startup money to put this together. We agreed we would fund him. The exhibit lasted about a year. It was in four different locations, and it would stay three months in each location. And it was very successful. People loved the idea.

Q: And you became very good at cost-benefit analysis!

PRESSLEY: That was critical! But, after a while, I realized that I had made a fundamental mistake. We didn't have a clear strategic focus on what we wanted to accomplish. Every investor had a different goal in mind. I wanted to build a business; most of them just wanted to take out the profits.

Q: And there weren't other investors that might have been persuaded by your longer-term view?

PRESSLEY: Well, I could have gone out for new funding sources, but it seemed daunting to start over again and try to go out and find new investors. I decided that I would rethink that business. I wanted to pay off those original backers and see where I was at that point in time. While I was going through this, deciding what I wanted to do next, I got a call from AID saying that they were setting up this new private sector development office in the A/NE Bureau [Asia/Near East] and asked if I would be interested in coming back to AID. The timing was just, from that standpoint, fortuitous. So, I did. I bought out the rest of the investors and closed up the company and rejoined the AID.

Q: So, it was probably your work in Egypt, among other things, where you were trying to get some private sector activity going that caused your name to come to the fore when they were looking to set this up.

But in any case, you came in as the Deputy Director, correct?

PRESSLEY: I did. Then, before I even got my clearance re-instated and fully rejoined the Agency, Marge Bonner came to me and said, “What's an Enterprise Fund?” She explained that in June (of 1989), President Bush had gone to Poland and gave a speech, talking about the benefits of private sector development and how the U.S. wanted to help the Poles. The speechwriter inserted the idea that we would support them through an Enterprise Fund. Then along about September things began to start happening inside the Soviet Union and in Poland specifically. The National Security Council staff said, “We better follow up on this idea of an Enterprise Fund.” So, they had a meeting, and everybody who had anything to do with funding private organizations, such as the Small Business Administration, the Commerce Department, OPIC [Overseas Private Investment Corporation] - you name it - showed up for this meeting. I think there were about a hundred people in the State Department auditorium. - and everybody had a different idea.

Q: And this was particularly about Poland, right?

PRESSLEY: This is strictly about Poland at this point. The White House staff advisor said, “We have got to get moving on this. We're going to give you two weeks to come up with a concept paper of no more than two pages that tells us your views of an enterprise fund.” After the meeting, we went back to Carol Adelman’s [Assistant Administrator of USAID] office and put our heads together, and they said, “Okay, Don, draft an enterprise fund paper.” I worked nonstop for two weeks; we submitted it; and that was the concept that was selected. Then the Congress got involved and came up with the SEED [Support for Eastern Europe Democracy] Act. By that point in time, it was November, and the Berlin Wall fell. Then the SEED Act came along within weeks after that and now it included Hungary. So, it started out as Poland and Hungary in those early days, and then spread just as the dominoes toppled. We just kept adding countries.

Q: But back to the successful enterprise fund model. How difficult was it to sell within AID -- or did you have no review since people knew so little about it, they couldn't opine?

PRESSLEY: Well, at that point in time, it was all being done within the ANE Bureau. So, Carol was really driving it. Allen Woods died in June of 1989, and the Deputy was acting, so I think Carol had a lot of leeway. It was only later on that the resistance came up, as this became a bigger and bigger deal.

Q: Right, the broad outlines, if you could just sketch this for people even now, I've never seen an enterprise fund. Why don't you describe it, I'm curious whether it was supposed to be self-funding over time, or that wasn't what it was about.

PRESSLEY: Self-funding wasn't the key metric. The core idea was to use government funding and private sector management to actually do investment as demonstration projects in those countries. We wanted investment bankers, we wanted angel funders, the people who could go in, see an opportunity, and manage that opportunity like you would if you were an investor or management fund in the U.S. The idea was to just truly be a seed for new private sector ideas and let the ideas spread. We never thought that the Enterprise Funds would actually make much money. We thought that with the focus on small businesses and on new startups we would only get to plant the seeds, and then the real investment return would come from the follow-on effect. We thought this approach could work particularly in Poland and Hungary, where they had been more entrepreneurial, more private sector oriented. There was an entrepreneurial spirit in these countries even under Communism, so we hoped that the mainly black marketeers would go legitimate and quickly learn from this startup experiment. But we knew that this couldn't be a typical AID project because we didn't have people who had those skill sets nor the experience of working in Eastern European countries. I had a tiny bit of entrepreneurial experience, but not at all on the scale for the amount of money we were thinking about putting into the enterprise funds. So, the idea was, "Let's get some real investment fund managers who will manage the Funds on a volunteer basis but hire professionals to actually go to Poland and Hungary, set up these funds and manage them without government interference or government bureaucracy. That was the concept in a nutshell.

Q: But the goal was to leave behind functioning small businesses that were able to make it on their own. Did businesses graduate from the fund?

PRESSLEY: Some of them did; some of them died out. As it turned out, the conditions were so different in the different countries that you had to have all kinds of ways of supporting private enterprise over time. But that was the original concept – to find, support and spin-off new small businesses, just like in the U.S. – and some would succeed, some wouldn't. But we knew that the local government structure at that point in time was very much against private business. Corruption would be against private business too. So, it wasn't so much that they had to succeed, they had to create a demonstration effect. And so that was one reason that we said, "If you make money, it has to go back to the Treasury. But if you don't, that's okay." An individual business succeeding was not a measure of success. It was the impact that it had on the private sector community in those countries that we were trying to measure.

Q: And other than trying to be successful in choosing the businesses, did you have to worry about the rule of law or the baked-in petty corruptions that were part of the

system? Because I imagine there were many places you had to stop and pay a bribe or get a paper or something in the former Soviet Union?

PRESSLEY: Well, the Foreign Corrupt Practices Act applied to the Funds, just like it does to any other American business. They had to take that into account, and they had to figure out how to do it. The nice thing was that there was so much press about them and what they were doing that they were able to be an exception to the usual way of doing business which, in a way, was a good thing. However, it turned out that this complicated the demonstration effect, because a regular business might not be able to do what they were getting away with, from the standpoint of greasing the skids just because they're the Enterprise Fund. It wasn't quite what we had hoped. So, the story on enterprise funds is mixed, but the story on the Polish – American Enterprise Fund is quite positive. It did exactly what we hoped to accomplish.

Q: Can you think of a really good success story from that? That fund?

PRESSLEY: Yes. So, the enterprise fund set up the equivalent of a Small Business Administration (SBA) loan window for small businesses. They found a couple of banks that were willing to participate and loaned money to companies through these banks. It was one of our most successful programs. Eventually, we had ten banks. And not only did we have good results from the loans, but we also brought in volunteers through the Financial Services Volunteer Corps (FSVC) to work with the banks on their accounting procedures, and their processes for showing that they were doing the program correctly. We changed the way that they required collateral. At first, they said, "Oh, we have to have 300% collateral." We said, "No. How about collateral just from the inventory?" They said "Inventory? No, no way. That's impossible'. But they finally agreed. So, it was a change in the banking procedures that was as successful as the actual loan programs themselves. Then, the banks just took over those programs, and the Enterprise Fund pulled out.

Q: So, when you left that position in ANE, how many enterprise funds were there? How many countries in Eastern Europe were you supporting?

PRESSLEY: Ten enterprise funds, some of which were regional, like in central Asia, so we eventually covered 26 countries. The concept was originally intended for Eastern Europe, primarily Poland, Hungary, and the Czech Republic, but everyone said, "Oh, let's jump on this bandwagon." And the further you got from the mindset of the people in those countries, the harder it was to make these things work. It grew like topsy and so, you had not such good successes as you went into places like Kazakhstan.

Q: That was the time when there was intense coordination with State Department, the SEED funds were considered co-managed between AID and State. Can you talk a little bit about your relations with your counterparts in State?

PRESSLEY: After I developed the enterprise fund concept paper, Carol wanted me to actually go to Poland and help start up the first mission. But State headquarters really did not want to let in a full-fledged AID mission. They thought we were these "well-diggers "and "do-gooders." So, we came up with the idea of an AID "representative" and a home office with the money managed from Washington rather than in the country itself. I went to Warsaw for just a few months to convince them that an AID representative knew how to put on a tie and didn't wear Birkenstocks. The work I was really doing at that stage was just scoping out what we needed in order to set up a new operation. Where do you put an office, what kind of counterparts are you going to be working with, that sort of thing. Meanwhile, the start of putting together a grant for the enterprise funds was going on back in Washington. Well, the Polish Enterprise Fund board turned out to be this very high powered politically connected group of businessmen, and the idea of dealing with the AID bureaucracy was just driving them crazy. As it turned out, the Chairman of the Polish Enterprise Fund, John Birkelund, came to Warsaw while I was there. He found out that I was the person who wrote the concept paper. We had similar ideas about how to set up and operate the fund. So, he went back to Washington and said, "I want to deal with Don." Carol brought me back and said, "Well, you might as well shift from the private sector development office, too." So, she gave me what became the Europe office. I found some compromise between the enterprise fund leadership and the USG bureaucracy. We got the grant agreement put into place. And then I was really dealing primarily with the State Department coordinator. The initial Coordinator was the Deputy Secretary of State with the Deputy Secretary of Treasury, and the Chair of the National Economic Council as his deputies. They brought in this ambassador to be the actual day-to-day coordinator, Bob Barry. He was a pure former Eastern Europe/ Soviet Union expert, and he was sure that we didn't know anything.

Q: But he probably didn't know very much about enterprise.

PRESSLEY: No, he didn't know much about enterprise, and he didn't know much about AID. So, we convinced him that we could walk and chew gum at the same time and get things done. After a while we started working together rather well. The other issue was that when the SEED Act was being put together, everybody wanted a piece of the pie. So, they gave funds to the EPA [Environmental Protection Agency], they gave funds to the Department of Energy, they gave funds to Commerce, etc. to please the main players. And so, coordinating with them became a key part of my role. We came up with an overarching formula of how we would work our different projects and how we would

coordinate with them. Managing this approach had its tensions, but it worked out alright in the end. We didn't have a whole lot of maneuvering room, but, still, we knew how to write a grant agreement, and nobody else did. We knew how to make things work. One of the important philosophical changes to the normal way of doing USAID business, for example, was that we did not want to enter into bilateral agreements. It took too much time, and it gave the government too much control. We did not trust these new governments, and the big fear of State was that the revolution wouldn't take hold, that the communists would figure out how to regain power. The mantra was: you have got to go fast, fast, fast. We were given three months to come up with a project concept, get the project approved, and enter into a contract or grant agreement.

Q: So, you expedited service, I mean, you had to.

PRESSLEY: That's right. The policy view was that there was no time because we had to get done as much as we could before we potentially got kicked out of the country. At least, that was pretty much their mentality. So, I put together a little task force. We eventually became a bureau, but it started out small. We kept trying to adapt to this new way of doing things. We were doing a lot of grant work, because that was the easiest and fastest, rather than going through a contract procedure. We had the "notwithstanding any other aspect of the law" authorities and we used them.

Q: And money was not an object at that point.
The question was making sure you were using it effectively.

PRESSLEY: We developed this formula that seventy percent of the money would go to private sector development, twenty percent to health care and social things, and ten percent to democracy building. That was our strategic framework.

Q: Interesting. So, you were based in Washington, but spending a lot of time in the field, I imagine. Did you have to worry about other parts of the U.S. government over-promising or making commitments that, then you had to figure out? Or was it pretty well coordinated?

PRESSLEY: Well, that's where the State coordinators actually helped because we weren't making those decisions. They were. It was particularly useful when you had the Deputy Secretary of State having legislated authority over the use of the funds. So, if the Secretary of Commerce wanted something done, you could run it up that coordination flagpole, and it wasn't AID having to fend for itself so much.

Q: And if something really outlandish was being run up the pole, would you have the opportunity to say "No, that doesn't make sense"?

PRESSLEY: Definitely. I think to their credit, over time, The Coordinator and his staff relied more and more on us, because we could go in and say, "Here's why, based on the experience of doing projects like this in other parts of the world." We wouldn't win all the time, but we would be able to get the outlandishness out of it more often than not.

Q: I know how the money grows, but how did you grow your staff? Because that's always a constraint in AID. And you needed staff to do this well, did you not?

PRESSLEY: Early on, we were a task force, as I mentioned earlier. I think there were only about fifteen of us. In addition, we were able to get an AID rep [representative] in Poland and an AID rep in Hungary. Since we were doing a lot of work through grants and contracts in Washington, there wasn't so much field work as a normal aid mission would require. So, at first you didn't need too much staff in the field. The first year was just getting some money obligated, and you can imagine the time constraints we were under because I don't think we actually got the money until February, and then we had to obligate it by the end of September. And so, we were going crazy. A big chunk of it was for the enterprise funds. And for some of the rest, we were able to use existing well-known organizations with a trusted track record. We could make grants to that kind of entity, or extend an existing contract, where we were comfortable that the accounting systems were following USG standards. After that the task was also to monitor implementation. That was when we started trying to build up the field missions, so they could actually have some staff to do field visits. The first two years were just frantic, trying to get all that system put into place. To help with the structure, we created what we called the mission in Washington, with eight reps in different countries.

Q: I know over your career; you've spent a certain amount of time explaining AID to the Hill [the Capitol Hill]. I'm wondering what congressional oversight or interaction there was during this period when things were moving so fast.

PRESSLEY: There was a lot of interest. Again, because of the coordinator role, it was the coordinators who were the ones that were doing more testifying. I was still at the office director level at this point. We were behind the scenes working with the committee staff, as we typically do. But there were a lot of questions, particularly about the enterprise funds, but they were so early that at that point in time, it was mainly "Do you need more money" -- that kind of an attitude. Everyone was so excited about the collapse of the Soviet Union; the question was how the U.S. could get involved.

Q: Right. So, as you reflect on that because I know you're going to move overseas again. Do you think the division of the program among enterprise (70%), Health (20%) and democracy (10%) was right?

PRESSLEY: If I understand your question, I think it was somewhat artificial. But the view that we developed, and I still have, is that if you can change the enabling environment for private sector growth, you will get economic growth. And if you get the government to pass laws that were supportive of private sector development, that was the way you wanted to go. So, not only do we have the enterprise funds out there having this demonstration effect, but then we focused a lot of attention on changing the economic and legal structures. We used the Financial Services Volunteer Corps, The International Executive Service Corps (IESC) and similar groups to assist the countries change their economic laws and organizations. Particularly in Poland, the government was very receptive. They wanted to be a market economy like the West. They loved the image of America with its huge economy. And so, they said, "Yes, we'll accept these advisors; we'll use them; and we'll work with them." Then we were able to take those models and apply them in Hungary and so on across the region. We were fortunate that Poland was the first one to adopt this model that we could replicate later.

Q: And I've got to ask this though it's really not fair. But the fact that in Poland and Hungary we see some recidivism -- not communism, but authoritarian tendencies, I guess it could happen anywhere. And there's probably not a thing we could have done back in the early 1990s, that would have anchored in a different political philosophy. But do you ever think about that, that the ones that were the leaders at the beginning are now somewhat problematic?

PRESSLEY: It was fascinating because it actually happened almost right away. When I was mission director in Poland, the former Socialist Communist Party got elected back to power that soon, and that was only two or three years later, because the pensioners, the artists, the people that had benefited under the old system, were thrown to the wolves in a very brutal way. And so, there was this backlash. What has happened over time, I think, is a very interesting social, and cultural dynamic, I see it playing out in Hungary a little more than in Poland even, where it's so much about national identity, and the whole idea of what it means to be a Hungarian or a Pole, exacerbated in Eastern Europe by the fear of mass immigration from the south and east. That's not something we could have influenced even though we helped them put into place fair elections. So, it's disappointing, I have to admit. We could have done things better as always, but ethnic and national culture really can't be changed in a few years by another country. Look at Afghanistan.

Q: Right. But I think you're right to point out that it's coming from a very strong nationalist perspective that was basically tamped down during the Soviet times. So, you did a whole lot in that short period of time as an office director. I had even forgotten about your time in Geneva. What was that about?

PRESSLEY: Because I had totally left government and then came back in as a new Foreign Service officer, I had to pass the language test. I had to do it within two years, and I was coming up on the two-year limit. I went to Carol and said, "If you'll give me six weeks, I can brush up on my French and get a passing level". She said, "No, I cannot have a position as critical as this one left vacant for six weeks." She brought in Frank Almaguer to replace me, and Frank did a great job. I went off to study French, passed the language test, and then had to look for a new job. Fortunately, about this time the AID Bureau of Policy, Planning and Coordination (PPC) decided to create an Aid Rep position in Geneva, Switzerland to interact with the Red Cross organizations and the UN organizations that are there. I was asked to take that position.

PRESSLEY: It wasn't an area of expertise for me, but it was a new challenge, and so we moved to Geneva. Carol Adelman agreed that as long as I was in Europe, I could also work with the Europe team on the interaction with the EU [European Union] officials in Brussels. We were setting up these joint programs and the European Union was also providing a lot of assistance. So, the position became a dual coordination role with Geneva and Brussels. From a job and country engagement standpoint, Geneva was our worst post. The U.S. mission to Geneva was very suspicious of why I was there and what I was doing, and whose turf I was going to be stealing. It was taking a while to get them convinced that I was adding value rather than detracting value. Also, living in Geneva was incredibly expensive. We were getting a cost-of-living allowance, but it never seemed to be enough. Then on top of that, the Swiss were very aloof. They enjoyed having all these expats living there because of the money that they brought, but really were difficult to get to know.

Q: And also, your job was pretty poorly defined. There was some sense in Washington that maybe we needed some coordination. But you weren't sent out to try and deep-six any programs.

PRESSLEY: You're right, it was poorly defined, and there was virtually no support. I was really out there on my own. The State Department and the US Mission in Geneva weren't quite sure what my role was, and PPC really didn't know what to do with me either. I spent my time trying to create a real role. Then, Bill Clinton won the election. This meant a change in leadership at AID headquarters. Carol Adelman decided that before she left AID that she would offer me the position of Mission Director in Poland. We'd only been

in Geneva for eleven months at that time. I went to talk to Sherry, and she said, “When can we leave?” And so, we moved to Poland after only a year in Geneva. They never filled the Geneva position after that.

Q: Right. I can understand why.

PRESSLEY: I did not recommend that they fill it. I said, “You guys are hunting for a problem to solve. And it's not there.” So, that was a failed experiment. But I learned a lot about working with the UN and some of its programs. I was dissatisfied and disappointed with how bureaucratic they were, even the UNDP [United Nations Development Programme]. It was just a lot of internal meetings and conversations. Talk about slow - - I thought AID was slow in the early days, but oh my gosh. I was happy to leave the job of working with U.N. organizations.

Q: So, did you have to set up the mission?

PRESSLEY: No, we had already set it up as an AID Rep office. There was an existing office space there with about five Americans and a staff of about twenty Polish employees. They had no authority to design programs or to enter into agreements, because of the Washington-centric original design. It was a bit ironic. I had been one of the architects for that Washington-centric system, but now, in the field, I quickly negotiated a new arrangement.

Q: Was that difficult?

PRESSLEY: Not really. By 1993, it was clear that you had to have people on the ground. In the startup, when you're just creating programs, you don't need that oversight. But now, three years later, you definitely needed it.

Q: So, you had enterprise funds, as well as some bilateral funds? Or was it all still enterprise-focused?

PRESSLEY: Oh, no, the enterprise funds were actually only one small part of the program, believe it or not. We had quite a bit of funds that were country-specific, and, by this point in time, the Congress started allocating appropriations based upon country programs. It was clear that the Poland program could no longer be centrally driven. In the beginning, we would give, let's say, an organization a grant to do work in multiple countries. Then we started needing to make the grants and contracts more country-specific because the countries were at different stages of development. This also meant that we needed more input from the offices in the country. Poland was the biggest

program and needed the largest mission. While I was there, I grew the staff to about a hundred with about twenty Americans.

Q: At that point you were probably still dealing with all of the U.S. government departments that had gotten a taste for international work, visits from Commerce and Justice, and Labor, etc.

PRESSLEY: Here's what I did. I met with the country team. Now, the Commercial Attaché said, "Well, you know, I'm running this project," and the EPA representative said, "I'm running this project"' etc. I said, "That's great. We can't do everything by ourselves. But you do know that it's the AID Inspector General that has oversight of these programs and there are certain responsibilities and liabilities you need to fulfill in order to meet the requirements necessary to manage a grant or a contract." I gave them this four-page memo of what they would have to do. And they all said, let's talk. We agreed that they got to be the titular points of contact with their counterparts, while we actually managed and ran those programs. So, I was able to get oversight of the total country program back under the tent pretty quickly, explaining to them the responsibility they were taking on without even realizing they were taking it.

Q: That's really clever. Was the IG [Inspector General] in lockstep with you or did you always feel that they were looking over your shoulder?

PRESSLEY: They were not in total lockstep, but we were able to make it work. I think the enterprise funds and the lack of oversight over the enterprise funds were what bothered them the most. Additionally, the idea of a State Department Coordinator being heavily involved raised a lot of control flags for them. Then as we got more country-specific, that was where they (the IG) were focusing their attention.

Q: Can you describe how, if at all, the tenor of the program changed with the change in administration from the Bush to the Clinton administration? Or maybe it didn't.

PRESSLEY: It did, but not as much as you would expect. The one clear change was the emphasis on democracy building under Brian Atwood. But by then we were pretty locked into the idea that the bulk of the program would go to enabling private sector development. The new administration accepted that approach, interestingly enough, and it continued as long as I was there.

Q: So, in democracy building, it would be things like support for the free press. Or support for the court system. What were some of the activities?

PRESSLEY: A significant part of it was using the international Democrat and Republican organizations to encourage setting up systems about how to vote, run campaigns and bringing in a variety of actors. In Poland, in those early days, you had this proliferation of parties, and literally, you had one party called the Big Drinkers Party, and another one called the Little Drinkers Party.

Q: Mainly personality driven, I imagine.

PRESSLEY: Exactly! And so, to have a real political party -- what it meant, having principles, etc., we had the NGO's [non-governmental organizations] doing that kind of work. Then we had programs to support freedom of the press, we worked with the court system to change the laws so that you had an election law, and you had an election oversight body, and you had a way to tally the votes. Personally, I think our democracy programs may have been too focused on elections. I felt that we needed to do more institution building because I felt that strong institutions would last longer than strong elected officials. Even if the elected officials had the right ethics and the right ideas, if the government structure wasn't supportive, nothing would change. And that is actually some of what happened.

Q: Over the time you were there?

PRESSLEY: Over the time that I was there, and continuing as far as I can tell. They have fluctuated so much. I'm not sure they should go to a two-party system that is polarized as ours is, but it seems they need more than just all kinds of coalitions that they have to put together. They just couldn't seem to find their way early on.

Q: Right. So, I recall, you also confronted some environmental issues. I remember someone saying that they found in Poland that the groundwater was not even fit for industrial purposes. And I don't know whether AID made investments in that area or whether you'd let that to the World Bank or other donors.

PRESSLEY: Actually, that money was given to the EPA. The worst city at the time was Krakow. And it was so bad. It's like the pictures you now see of Beijing, where you can't see across the square. And so, the EPA was given money to build two smokestack scrubbers on two of the big worst polluting plants. So, we worked with them on that, as I said. I think it was the commercial attaché, who was supposed to be monitoring them. And I pretty quickly convinced him that he didn't know how to monitor them. So, I set up a group to work on that. And we built a sign across the marquee in the square, and it was showing the pollution levels, and you could actually see the pollution come down over time. And you would literally get the Poles going up there looking, how are we doing

today. Again, it was a demonstration project, where we could show them that there's a way to do this, and they then put some of their own money into pollution abatement. We also had a team that was AID funded, that worked on the water issues, in terms of not really doing any infrastructure or sales but doing the consulting and bringing in consultants to help them think through how to deal with poor management. You got the chemicals there, but if they're being siphoned off to the wrong people, you're not going to clean up your water. So, our approach was like that.

Q: Well, I'm curious about two things. One, you must have had a lot of direct contact with government officials. And was it fairly cordial?

PRESSLEY: In Poland?

Q: Yes, was it? Or was there some residual hostility to a Western country coming in here?

PRESSLEY: It was extremely cordial. I remember, the ambassador was a Polish American from the business world named Nick Ray. We were in a meeting talking about helping them change their constitution. It was with the President and his key cabinet officials. Nick leaned over to me and whispered, he said, "You see that guy, that's their Thomas Jefferson, and that guy is their Benjamin Franklin." It was like that. They were creating a new country. And so, they wanted, as I was saying earlier, all the help they could get, and they were very receptive to it. It was a really exciting time to be there. Of course, it got harder as time passed, but we had the benefit of a lot of goodwill for years.

Q: And then just a word about your private life, were you able to travel around the country and was there a school for your children?

PRESSLEY: It was a very small nascent school. I think there were twenty-six in the school. And when we got there, my son was just entering the ninth grade, and there were like, five or six of them, and they didn't even have the tenth grade. So, then the next year, he entered the tenth grade, and that same group became tenth graders. But it was building pretty fast at that point in time, because not only were there more USAID staff, but you were also starting to get private sector investment, and you were getting other departments wanting to build up their staff. And so, the embassy was growing pretty significantly, as well as just private companies coming in. So, it grew fast, but it was pretty small throughout the time that we were there.

Q: And were you invited into people's homes? Or if you had a party and invited people, would they come? What was the social interaction?

PRESSLEY: It wasn't as open as I had hoped, mainly our interaction was through our FSNs. And we were able to get a good group of FSNs. And then we were able to get to know their circle of friends. But the American Chamber of Commerce was also very small with few Polish businessmen, and you certainly didn't get invited to the homes of Polish officials. And we had the problem, not so much in Poland, but the problem that we had throughout the former Soviet Union that we were wealthy compared to them. So, our entry into Polish society was through our FSNs, and we had some very good ones. I worked with them to give them more authority. I made one of our economists the deputy director of the program office. Under U.S. law, she couldn't supervise American direct hires, but she could supervise PSCs [personal services contractors] as well as other FSNs. And so, we set it up that way. She later became the Minister of Economy.

Q: So, what caused you to return to Washington?

PRESSLEY: Before I answer that question, I wanted to talk about the enterprise funds just one more moment. Because of my prior experience with them, we had a good rapport. And so, one of my favorite examples of how AID and the enterprise funds worked together was when they came to me and said, "We want to set up a savings bank, to focus on real estate so that people can take out a mortgage and actually buy a house under a Government – supported lending structure like we have in the U.S. But the law to do that doesn't exist. And so, I went to the Minister of Economy and said, "Here's the scheme, we'll bring in the consultants to help you change your laws, the Enterprise Fund will set up the first Savings Bank, and then once again, we'll get a demonstration project and see if it actually works." And he agreed that that was a good idea. Now, they have a very robust savings and loan industry. I think this shows that the two parts working together were able to accomplish more than them trying to do it by themselves or us being distrustful of them. In Hungary, the Enterprise Fund management was extremely distrustful and refused to do anything with AID. The AID mission in turn became unhappy with the Enterprise Fund and you never got any synergy there. It was personality, part of it, and it was the way that the programs got started early on. But it's also a good example of where even with good intentions, things can go awry, and you don't get quite the impact that you want from the way the program was designed.

Q: Right. Well, personalities probably play a whole lot in these things. And we, I think we underestimate how important that can be for the program's success.

PRESSLEY: Well, back to my leaving Poland. I was happily ensconced there. I was building up the program, and I thought I was having a positive impact. Then Tom Dine became the Assistant Administrator. He came out to visit Warsaw, liked me, and said, "I'd like you to come back and be a Deputy Assistant Administrator." And I said, "No way.

I'm not going back to Washington right now. My son's in high school. He's happy. And, you know, I'm happier." He accepted my request. He brought in Carlos Pascual to take that job. Another year goes by, and Carlos gets tapped to join the National Security staff. This time, Tom calls me and says, "You don't have a choice this time. You've got to come back. I need you. I want you."

Q: Your son's a high school senior at that point.

PRESSLEY: He was just entering his high school senior year. Overall, he was loving it there, but some things had happened that caused him to say, "Oh, well, I'll go back to the States." From a personal family standpoint, though, it was a big mistake because he had no friends in the States. He had gone to school in Geneva for a year. He'd gone to school in Poland for two years. And now he's back as a senior. He doesn't even know about American football or other things that students in America were following. The cliques were all already formed. It was a tough year for James. But Tom was pretty adamant that he was going to pull me back. I guess I could have turned it down. But we didn't. So, I went back to Washington and became a Deputy Assistant Administrator alongside Barbara Turner. Originally, I was Deputy Assistant Administrator for Europe and Barbara was Deputy for the NIS [New Independent States of the Former Soviet Union.]

Q: Right. And at that point, the program was pretty well developed, and you were still getting lots of money.

PRESSLEY: We were, and it was. It was now no longer in startup mode. It was a real bureau with a big staff and much more focused on implementation in the countries and it was more about dealing with the contractual issues, and the country issues. Now we're having to do a lot more defending of the program to the hill and to the various communities. So, it's more like a regular Bureau right at that point in time.

Q: And did it work pretty well dividing it geographically the way you and Barbara did or were there certain things that crossed over those geographic divides?

PRESSLEY: It didn't work at first. The problem was a personality one again. The State Department coordinator for the NIS and Barbara did not get along. So, Tom Dine gave me the NIS and gave Barbara Europe. It was another learning experience for me. For the most part, the conditions in the NIS and the development issues were quite different than in Europe.

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Q: Here we go. Today is March 9, 2022, and it's our third session with Don Pressley. And I believe, where we left off you were mission director in Poland and coming back to be first acting DAA and then DAA for Europe, and then DAA for the NIS, so maybe we pick up there.

PRESSLEY: I came back in 1995. Then, after a year, Tom Dine took a job in Prague as the head of Radio Free Europe and asked me to be the Acting Assistant Administrator during the period while Carlos Pascal was being considered to be the Assistant Administrator. Unfortunately for Carlos, his nomination got held up by politics in the Senate and after a year of waiting to be confirmed, the White House asked Carlos to stay on at the National Security Council. Since I was now known, I was nominated next. My nomination was also held up, but I was able to stay as acting until I was confirmed as Assistant Administrator of the Europe/NIS Bureau in July of 1999

Q: You were acting AA for a couple years?

PRESSLEY: yes. The first year, we thought Carlos was going to be administrator. Then the second year, it was my own confirmation hearing process that took time.

Q: Out of curiosity, do you think your role changed once you dropped the acting designation? Or was it pretty much the same?

PRESSLEY: It was pretty much the same. At first, I was checking with Carlos and checking with the two State Department coordinators, but I quickly decided to just be the Assistant Administrator until I wasn't. By the time I was actually confirmed, I'd already been in the job for two years. All the other senior officials were political appointees, and my interaction with them was a little more comfortable once I actually got the confirmation. But other than that, I think it went well. The bureau was going through a lot of turmoil in the sense that by '99, the privatization programs were causing a lot of turmoil and consternation. Also, we had given a huge grant to Harvard University, and that turned out to be quite a scandal.

Q: Right. Is that under your watch?

PRESSLEY: It was under my watch. The grant was made before I got there; it was something that the NIS Task Force got started. They were so small and so startup that the idea of having Harvard come in and take this keen interest in helping Russia, in particular, seemed like a good idea at the time. But Anatoly Chubais became the key point of contact and we later learned that the Russians were just taking advantage of the central role that Harvard had established and it didn't work. When Janet Ballantyne

became mission director, she realized that there were issues and so we had the General Accounting Office investigate. We finally got a refund of the grant and canceled the work that they were doing. But that was a tough time from the political and public affairs standpoint.

Q: Right. But Chubais was just one example where the oligarchs were really setting themselves up. How much of that was obvious in Washington or from the field reporting?

PRESSLEY: Well, I must say that in some ways, it was obvious. In other ways, it was more of a policy decision than a program implementation decision, because of the role of the State Department coordinators. It became very evident that we just did not have our own control over these programs. The State Department was very determined to see the privatization program through. We all wanted it to work better and we tried to interact with this privatization unit that the Russians stood up at that time. But it was kind of already out of our hands, the program had gotten started. It was really their program at this stage. We could see what was happening and tried to influence it, but the horse was out of the barn, and they just took off with that program.

Q: And your counterparts in State, they saw that, but it was out of their hands too. Or were they?

PRESSLEY: I think so. I don't feel like they thought it was such a big issue at the time. In hindsight, we can all say, oh, my gosh, what a disaster that has turned out to be. At the time the voucher program was seen as something that would have given multiple shares to multiple people. And then only later did we learn that the oligarchs were buying up those vouchers or never really giving them out or all the various things that were going wrong. I think during that whole period, State's attitude was that we want to keep them from going back to communism. And if they adopt a market economy, it'll all work out. It's kind of like what we were doing with regard to China at that time. Oh, if we put them in the World Trade Organization, they'll become good boys and behave themselves. Same idea. And in neither case did it work. With that said, there were also some pretty remarkable successes.

I think, additionally, that in many ways, one of our successes was institutional development. I actually wrote a law review article after I got out of AID about that. By helping create those kinds of institutions and instilling the concept of rules-based operations, corruption will probably still exist, but you had the foundations in place. I think that housing mortgage program was one of the best examples of how that actually was a big success. Critics talked about the Marriott brigade and made fun of all the consultants that came to stay in town for a few weeks and then leave again. But actually, they were bringing U.S. experience that the various government officials could adapt and

use. In many cases I think, as I said earlier, we were more successful on the Eastern Europe side of the region than on the NIS side, because they were more open to those changes and had seen the benefits of it, whereas, in the NIS, the strong men were taking control as quickly as they could. We didn't have the same opportunity to put those institutions into place. But institutional development was, I think, a big part of some of the successes we had.

The other thing that we successfully developed was the partnership program: hospital partnerships, small business development partnerships, real estate partnerships, a version of sister cities that we picked up on and developed as well. And my focus was to try to make those sustainable before our time in the region came to an end. Early on State was saying three to five years; we were saying five to ten years. And it even went longer than that. But at the time, that was the idea -- create nuggets of people and institutions that could become the centers for their own further development. Sustainability was a very important part of what we were trying to put into place. I remember when I was still in Poland, I had five U.S. NGOs [non-governmental organizations] getting grants from us, and I said, we won't give you any more grants unless your program has an element for sustaining the local partners. I want you actually transferring knowledge and teaching them how to raise money and teaching them how to develop their own programs. And two of the NGOs came back and said, we don't know how to do that. But three said, “Yes, we will.” Those Polish NGOs may not still exist, but they became models for many, many more to flourish. That was a key objective – to create models that could be replicated. That was what we were trying to do all across the region - to create those pockets of change.

Q: Are there other successes that you would highlight from your time? Because I think you had sort of the best of all times, although not necessarily for Russia itself. But it's when we were relatively optimistic and when you had relatively sufficient resources to work with.

PRESSLEY: For the most part, except for the Russia privatization program, I think that we were seeing quite a bit of success in creating an enabling environment for private sector development. That was one of the main focus areas of our programs. It was creating small business administrations, creating banking programs to lend to small businesses, developing their nascent stock exchanges and creating the skills for people to be stockbrokers. It was the mortgage program. I believe that our greatest success was on the economic growth side. However, the social safety net didn’t keep up. It was in trouble because of the tremendous change from the communist system to a market system. This later became a key political issue. The other thing that we did focus on was health care. For example, we developed the hospital partnership program. We were working quite a

bit with the orphans' program, because we found out about all these horrible hospital settings for children and orphans. That's also where a lot of private money was focused as well. The third focus area of our assistance was to support democracy development. Of course, elections were a major focus, but I tried to be sure to add an institutional development component, so that it wasn't just free-for-all democracy, but developing the legislatures, creating the equivalent to the Congressional Budget Office, things like that. Our goal was that they would not only have democracy, but they would have the tools to go along with that institutionally. We even included physical tools like a sound system for legislative chambers or an electronic voting system. We were trying to make democracy work as well as just be about elections. As I reflect back, it may sound like we were throwing a lot of spaghetti on the wall. And, in a way we were- it was deliberate, to try to have as wide an impact as possible as quickly as possible. And that became one of the criticisms that, again, in hindsight, is legitimate, but at the time, it was the best we could do. And I think a lot of that spaghetti stuck.

Q: Well, I think that's right. I mean, it's only now that the last free media is being squashed. But as I recall, the media was an important part of your program.

PRESSLEY: Very much so. One of the areas where we saw that in action was in former Yugoslavia, as we were trying to disentangle Serbia, Croatia, Bosnia Herzegovina, and Kosovo. We knew that having free media was a very important part of a sustainable democratic system. I remember a conversation with the State Department Coordinator for Southeast Europe about our media program, and he said, "Our goal is to overthrow Milošević." And I said, "Well, that's not AID's goal. Our goal is to create a media that will tell the facts and let people make choices. We don't try to pick winners for them, we try to create an environment or an atmosphere where they're able to make their own choices. And the way to do that is to help develop an institution or body of reporters who will report the facts."

Q: Although the U.S was certainly in the lead on all of these programs, you must have had to deal with other donors. And I'm wondering whether your job involved a lot of connecting with other donor countries. And if there were, if donors were in agreement, or whether there were major disagreements about the way NIS should be approached, or Eastern Europe for that matter?

PRESSLEY: Actually, we were mainly in agreement on what to do. One significant example of inter-donor cooperation was the case of Ukraine. Ukraine needed significant funds to just keep the government running and to keep the economy from going bankrupt. In this case, the IMF [International Monetary Fund] took the lead, but there was a group of donors - basically Western Europe, U.S, and Canada - that were in support of the IMF

program. All the donors agreed that the IMF loans should require major conditions for policy change attached to each tranche of funding. The conditions were rather detailed and onerous, but they were viewed as critical to Ukraine's progress. Representatives of all the key donors went to Kyiv four times a year to meet with the Minister of Economy, Minister of Finance, and other key officials in the economic sphere. The donors each added a component supporting the overall program and its goals. Once again, this assistance was very heavily focused on institutional change to create a thriving economy, and trying to get them to develop the programs and the rule of law that would enable that to happen. That was one example of donor coordination. One area that I had personal responsibility was coordinating with the international non-governmental organizations. There were so many international NGOs also wanting to open programs in the former Soviet Union that AID took the lead in trying to coordinate both private and governmental activities. We were the logical donor in this area. We were a major NGO donor, and many of the various country diaspora were large and vocal within the U.S. We would try to coordinate efforts so that all the assistance kind of came together in a way that made sense. AID took quite a leadership role in those days. We had the funding; we had the various programs. We held meetings in Brussels with the European donors. We also had the primary connection to the World Bank. I typically was the senior representative of the agency with all the other governments and international organizations.

Q: Right. And you had two DAAs.

PRESSLEY: Yes, we kept the two DAA structure. We had two different coordinators, one for Eastern Europe and one for NIS. That was one practical reason right there to have two DAAs. And I thought that worked quite well.

Q: Right. Well, you mentioned the diaspora and I am certain that in addition to wanting to work with them and use their capabilities, they probably also went to their representatives. And so, you probably got a certain amount of pressure from the hill on behalf of certain groups. That may not be the case. But I'm just wondering whether you ever felt pressured to do programming that did not make sense to you or was not part of the overall program?

PRESSLEY: Yes, indeed. The chair of the Foreign Aid Appropriations Subcommittee and other members, too, would "urge" us to be responsive to all kinds of interest groups. There were frequent occasions where I spent a lot of time on the Hill trying to explain to them why something could or couldn't be done, or if it could be done, it had to be done in the right way. This was particularly the case on the contracting side where competition was required. On the grant side, it was harder to say, "We're not going to do that." When

it came to grants, we would say, “Yes, well, we can do a direct grant, but their program has to make sense and here are the things we think need to be included in the grant agreement. Working with the Hill, working with the private groups, and working with other donors made this a very busy time.

Q: Right. I have to ask, just because of what's happened with Russia and Ukraine in the last week, was there any glimmer of conflict or tension among any of the NIS states at the time that you were directing the program?

PRESSLEY: Oh, no, no, not really, because Russia's economy had collapsed. A big part of what the donor’s, including us, were trying to do was actually to help Russia’s economy recover. Another factor in those days was the privatization program and the internal jockeying for power, with Putin coming on the scene and with Chubais beginning to play a role and the development of a new set of oligarchs. Russia was very much internally focused during that entire period. On the other hand, there was the former Yugoslav conflict. That too, took quite a bit of time and attention. Overall, the big disputes in our days were in Southeast Europe. That's when I first started working with Mrs. Clinton. She made numerous trips to that part of the world, and I would travel with her entourage. I remember her as a very good spokesperson for foreign assistance and for our programming. She was a real advocate at that point in time.

Q: I've heard she was a good advocate and a very easy person to brief. She would remember and would say her lines and improve on them. Well, let me ask you, did the White House ever asked you to do programming that didn't make sense?

PRESSLEY: No, everything they requested was inside the purview of our programming guidelines. Mrs. Clinton was focused on women's programs and wanted to know about them, but there was no particular pressure to do any particular activity. There was always the inevitable set of “deliverables” that we had to come up with on every stop, but we always had numerous programs wherever she was going, so providing something to showcase was actually very easy and good for AID.

Q: Right. So, this may not have affected you, but towards the end of the Clinton administration. AID was a bit rudderless in general. J. Brady Anderson he sort of stepped back and then left. And I'm not sure whether you felt that in the NIS or in the Eastern European program where you were pretty autonomous anyway, because of your special authorities. Did the vacuum at the top affect you?

PRESSLEY: We certainly saw what was going on -- the whole battle over whether AID would be absorbed in State or not -- the increasing role of coordinators with more budget

authority going to State. But the way it affected me was interesting, particularly when Brady Anderson became administrator. Rather than having Principal meetings at the National Security Council on Europe and Eurasia issues, they would sometimes have "technical" meetings, so that I could go as the AID representative. I was really the senior most knowledgeable person by that point in time, and the new Administrator was perceived as mainly a caretaker at the end of the Clinton administration. It was a rare opportunity to be so involved at that level.

Q: Let's talk about the transition, because I know you got pulled into the role of acting administrator and in the preparation for the transition, there were the inevitable briefing books and so forth. Can you talk a little bit about that period?

PRESSLEY: Yes. I will mention one anecdote from the end of my time as Assistant Administrator. It was November after the election. I was in Georgia, reviewing programs there and the AID Mission Director and got a call from the office of the President saying that President Shevardnadze wanted to see me. So, the AID Director and I went over along with a junior political officer, just the three of us. The President was there by himself. There was no one else in the room when we finally got to see him. And he thanked me for AID support and told how much he appreciated it. And they looked at me and he said, "Do you have any advice for me?" I thought, "What an opportunity!" I said, "Mr. President, you have an incredibly distinguished career, you will be known not only for your former time as foreign minister, but now as president of this country. But there is one blot on your record. And I don't know what you can do about it. But your family has become so corrupt that it is hurting your country. I apologize for being so specific, but there's a view from the Western world that this is the case. Sometimes leaders don't get to hear bad news, but I think you need to hear it.
President Shevardnadze looked at me and he just paused. He just looked sad. And he said, "I know you're right. And I also think you're right. There's nothing I can do about it." We just continued our conversation as if nothing was ever said on that point. About a month later, Brady Anderson said, I think I can get you an ambassadorship. Would you be interested in that? Well, the country he had in mind was Georgia. I was considered and vetted. Then, one day the assistant secretary pulled me aside and told me they had decided to give it to another person. And then he looked at me and he said, "You're just too honest, Don."

Q: I imagined that the family corruption came up regularly at lower levels. No? In talking points.

PRESSLEY: Yes. It did. But it's very hard to get to the President. And certainly, the Ambassador wasn't going to be so blunt. I'm not sure that it was appreciated when that telegram got back to Washington.

Q: You feel good about it?

PRESSLEY: I actually do. That's not a bad reputation to have. To be honest.
So back to the transition. I was asked to be the Acting Administrator and the White House transition team approved my appointment. I didn't know how long the transition would last, but I decided to use the same approach that I did when I was Acting Assistant Administrator. I got everybody together. And I said, "We're not going to act like we're just temporary. We have an opportunity here. Let's do all we can, not just wait in the wings. Let's leave something for the incoming group that we as senior AID officers think is important. Let's think way outside the box." We put together a little task force and started thinking about the role of AID. We came up with this idea that, obviously, more and more impact in the developing countries from the developed countries was actually coming from the private sector. Some of it was investment, but a lot of development was occurring through organizations like the Gates Foundation, the Soros Foundation, or the Ford Motor Company - all those. What if AID could become the international hub for all kinds of public and private assistance? In our view the World Bank was in no position to pull it together, and the UN couldn't get out of its own issues. Europe wasn't prepared to do that. Could AID actually go from being a project-oriented organization to being a true donor coordinator? We wrote this concept paper, and we invited Secretary Colin Powell to come over to the Reagan Building, and we briefed him on the Global Development Alliance.

He seemed intrigued and gave us the green light to pursue the idea. After Andrew Natsios was nominated as USAID Administrator, he also liked the concept. The next step was to prepare legislation. But as so often happens in the legislative process, it can be watered down. It wasn't a sea change at all, it was another little adjunct to everything else we were doing. But that was the idea that we tried to sell -- something that had real significance.

Q: Meant a very different kind of USAID.

PRESSLEY: It would have. Now, not 100 percent, obviously, but with AID's deep knowledge of development issues, both strategically and in key sectors, we were well respected as a donor agency with real expertise. If we could put that expertise to use for a broader coalition, not just do it as AID alone, but do it in conjunction with the entire group of organizations trying to make a difference, that would create leverage that little projects working independently could never have. Now, we would run into the same

issues that I'd run into in Eastern Europe, where the auditors want it to be all under AID control and Congress wants it all to have an AID flag, and all the financial oversight issues this would entail, but it seemed like trying to play a leadership role, in addition to our own operations was something that had merit.

Q: So, it got watered down for all of the reasons you mentioned, everybody wanted a piece of the action. Everybody wanted to get credit for what they did.

PRESSLEY: But the real obstacle was 9/11. Because then all bets are off. Suddenly, no one was interested in regular foreign assistance. It was all about the war and the impact of that in Iraq and Afghanistan.
The Global Development Alliance (GDA) really didn't have a chance at that point.

Q: The GDA, just to remind myself, morphed into basically a partnership with businesses. I mean, it was a small program.

PRESSLEY: The revised concept was there would be joint projects with private business where the private side would come up with as much as three times as what AID would put into a project. After retirement, I was banned from working with AID for a two-year recusal period. However, after my two-year period was over, I was invited back to do a review of GDA. I reviewed programs in several different countries. I remember one case in Indonesia, where there was an oil company that was exploring new territory. Instead of wanting to let a typical "oil" town spring up, the oil company itself agreed that there would be a training program to train local Indonesians how to do jobs. That way, they didn't have to bring in so many Westerners to run the oil rigs or do a lot of similar work. The concept was that there would be tripartite participation – USAID, the oil company and NGOs with training expertise. The NGOs would set up the training programs, partially funded by AID, but mainly funded by the oil company.

Q: That's what you had in mind.

PRESSLEY: This is a great example of how the alliance concept could work. Now, this was one little project, rather than on a larger scale, like we had envisioned in our hubris that we might actually have a bigger impact.

Q: At what point did you decide that it was time to leave AID?

PRESSLEY: After being Acting Administrator, Natsios asked me to become the Counselor, but I felt it was time to try something different.

Q: Counselor? Well, I mean, you've made such an incredible impact in AID and you've served in some of the most important and most difficult programs. I think you have to feel good about the contributions you made. But I do hope we can talk a little bit about your post AID career, because you've had almost a completely new career in the private sector. And I wonder if you're willing to talk about that.

PRESSLEY: Of course! I spent twenty-five years with AID but then I spent fifteen years with Booz Allen Hamilton. It was a very interesting transition. I couldn't work with AID during my two-year recusal period, but I still did some development work. There were other opportunities -- State had some of their little programs; there was World Bank work; and I did direct government work for other countries. But I also did management consulting. I had to take courses on being a management consultant and working with organizations from the consulting standpoint. At first, I wasn't totally sure that I would fit at Booz Allen, so for three years I also tried my hand at teaching. I taught a course at Georgetown's Graduate School of Foreign Service called Business and Development. The course was about ways to do business in developing countries. Over that time, the opportunities at Booz Allen became more interesting and I began to be more successful, so I didn't have time to continue teaching at Georgetown, but it was another learning experience for me. I joined Booz Allen as what they call a Principal. Partners ran the company, but the second-tier managers were the Principals. I did that from 2001 to 2007, and I built up a consulting business of about a hundred million dollars in income a year.

Q: That program was the international program?

PRESSLEY: Booz Allen already had a large international business with country offices and country officers. My business was the U.S based international operation. For example, it might be an AID contract, or it might be World Bank, or it might be consulting to a government, using expertise that the in-country folks didn't have. They tended to focus on commercial operations whereas I brought in government-focused business. In many ways I was still developing. I was doing the kinds of programs or projects that I thought were beneficial to government clients but applying my experience in different ways using different techniques.

Q: Right. So, did you spend a lot of time dreaming up proposals?

PRESSLEY: I think I have always been one who likes to try new ideas. One example: there was a lot of literature about the comparative advantage of different countries, such as Tom Friedman's book, The World is Flat. I developed a line of business to help governments discover and build upon their comparative advantages. One example was in Macedonia. We discovered they had a nascent cartoonist capability, and so we helped

them improve that capacity. Then one Macedonian company got a contract with Warner Brothers, and then other U.S companies followed, who wanted to outsource more of their cartooning capabilities. This is just a small example, but we developed a little expertise, and won multiple contracts.

Q: Right. So, stepping back a little bit, compare the experience of working in AID with working at a big private company like Booz. Did you feel you had more flexibility or less flexibility?

PRESSLEY: Well, the transition was much more significant than I first realized, because at AID I worried about budgeting millions of dollars. Now, I was the one trying to justify the proposal money I was spending, and having others say, "Okay, what's the return on this and how much is it going to cost me and where's the upstream?" It was a whole mindset change – no longer what benefit is going to result from this activity, but how much money are we going to make? It sounds obvious, but that was a big transition. On the other hand, I had considerable hiring flexibility as long as my team made money, and I was now with an institution that could also fire poor performers easily. Every year you got assessed on your performance, and your bonus was a huge part of your compensation. If you performed, you got your bonus, and if you didn't perform you got fired.

Q: And your performance is based on the money that you were able to bring in?

PRESSLEY: Yes, this was the real private sector. Now, they were patient with me. I was initially an investment. Like I said, for two years, I couldn't do any direct AID work even though, later on AID, as it turned out, was a big part of my portfolio. This gave me a chance, though, to see opportunities in other areas, and over time, I developed a diverse line of business.

Q: Just looking at your titles at Booz you obviously move smartly along from principal to vice president and senior vice president. Were there politics involved in that or just your competence eventually moved you along?

PRESSLEY: Well, there's always politics. Like in any business, you have to have your mentor who helps you along, and at Booz Allen, it was a requirement. In order to move up to the next step, my boss, who was a junior partner, had to promote someone into the partnership. [The official title for a junior partner was Vice President.] He had to show that he was building a team that could take over what he was doing, so he could take on larger responsibilities. His portfolio of businesses included International. He encouraged me to work hard to get that partner role, not just the principal role. One issue I faced was that I had only been with Booz Allen for 5 years competing against others with 10 or 15

years of experience. Moreover, there was an expectation that one should retire from Booz Allen at age sixty-five. Add to that the rule that one had to be a partner for at least five years to get the benefit out of making partner. I was right up against that deadline. I turned sixty-one on September 28, 2007, but I was promoted to partner on September 15. The idea was that I would continue to build the International business with foreign assistance as the core. But then, two things happened. One, we had a large AID IDIQ contract that was coming up for renewal. At this stage, the economic development work was very focused on Iraq and Afghanistan. We had a good consortium of companies willing to do work in those countries, but Booz Allen's leadership was not willing to send people into those countries on non-military contracts. Surprisingly they were more willing to give up business than to put our teams in danger. Without the scale of the IDIQ's, we essentially gave up on AID business. Then the Carlyle Group bought the company, and the focus was predominantly on the military business. Carlyle sold the commercial international side of the business. Fortunately, because I was part of the government group, my international team stayed intact, even though 90 percent of the business was military oriented at that point.

Q: That made you shift your focus to military contracts.

PRESSLEY: Actually, I shifted my focus to direct government business rather than having a large donor portfolio. By 2009, we had given up on the AID business and I was doing all kinds of other international work. Since the company had sold off our other overseas activities, by then I had basically the entire international portfolio. Then, in 2010, I was asked to actually move to Abu Dhabi. By this time, we had become a public company, and we wanted to re-establish our international business. Sherry and I agreed, and we moved to Abu Dhabi. We chose the Middle East because there were countries that could afford our services and we had the skills they desired. Sherry and I lived in Abu Dhabi, but my team did work in Saudi Arabia, Qatar, Bahrain, Lebanon, Jordan as well as Turkey. We stayed in Abu Dhabi for four years. Our international business was growing and was quite profitable, so we decided to try East Asia as our next region. We chose Singapore as the East Asia base of operations. So, Sherry and I moved to Singapore, and I started to find work in yet another part of the world. By this time, I was well past the sixty-five-retirement age, but I had become quite good at building programs in new countries, so I didn't retire. Instead, I became President of Booz Allen, International. During my Booz Allen career, I opened offices and built an international portfolio in 8 countries, adding business in Singapore, Indonesia, and Malaysia while in the Middle East. I retired when I turned seventy.

Q: Wow! Well, what a remarkable career and you make it sound easy. I know it wasn't, but you've done just about anything that any career officer could imagine doing.

PRESSLEY: I feel very fortunate about it. I believe that I brought a different perspective to AID. Then actually, I brought a different perspective to Booz Allen as well because it was 90 percent military focused. I was able to apply my approach in the private sector and was able to achieve some success in that environment as well. Looking back at it, yes, I've had a very rewarding career.

Q: And how are you staying busy post-secondary retirement?

PRESSLEY: Two ways. We're in a community south of Washington, D.C. with about 2,000 people living here. There is a very nice mix of people who have come here from different parts of the country and from different careers. So, we have a nice cross section of America, with a lot of folks that have had international backgrounds. So, I decided to create a group here that we call Global Affairs. We meet once a month and discuss international topics. There are about two hundred members in that group.
We use material from the Foreign Policy Association, called Great Decisions.

Q: We've actually had to lead sessions for Great Decisions!

PRESSLEY: It is a great way to keep me thinking about international. The other way that keeps me busy is that I'm now the chairman of our local country club. That definitely keeps the business side of my mind working too!

Q: Okay. Well, thanks again. I really appreciate it.

PRESSLEY: It was a real pleasure, nice to talk to you and all the best.

End of interview